JUNE 24, 1974

Commerce Today

Near East Market: Report To U.S. Business

Page 5

FROM THE
SECRETARY

Trademarks—A Protective Badge

This column was written by Under Secretary of Commerce John K. Tabor.

Likely as not, many of the jeans worn today by Paris teenagers bear a familiar American trademark. So do the different brands of soda pop they drink and that citizens of the Soviet Union will be consuming to quench their thirst. Hand soap in a Belgrade hotel may make the visiting American feel at home since, again, the trademark on the soap is as commonplace as the latest U.S. television jingle. As U.S. goods find their way around the world it is the U.S. trademark, registered, that reminds those using the goods, that the distinctive product or quality, identified with that mark, was created in the U.S.A.

The trademark is distinctive. It stands out in most crowds. It has to. The trademark in international bargaining serves an important function. It is a unique badge of protection for the businessman dealing abroad.

Such marks are also a guarantee for the purchaser that the product or service connected with the mark will have a known, established quality. The mark carries with it carefully established goodwill.

Today over 350,000 trademarks and service marks used in United States commerce are federally registered and on file in the Commerce Department's U.S. Patent Office, with probably an equal number not registered or on registration in one or more of the state registers of marks. And reflecting the surge in international commerce, in 1972, the most recent year for which world statistics are available, more than 50,000 trademark applications were filed by firms with U.S. addresses in the 83 countries and territories which report such figures.

The principal instrument for dealing with trademarks in the international field is the Paris Convention on Industrial Property, adhered to by 80 countries, including the United States. But with almost 150 nations and territories having separate procedures for protecting international trademarks, it is clear that additional guarantees and facilities must be sought.

A further safeguard that has been developed is an international trademark filing agreement which the U.S. and 13 other countries signed in 1973. Called the Trademark Registration Treaty (TRT), it would establish a central filing system with standard procedures and rules for trademarks destined for use in international commerce.

The Commerce Department is presently seeking the views and advice of the public, including business, on the treaty. If the Department's evaluation, with benefit of these views, warrants it the treaty, along with a design for necessary implementing legislation, will be forwarded to the Senate to be considered for ratification.

The trademark dates back to three or four centuries before Christ. Ancient wine caps bore impressions that Greek and Roman winemakers used as marks to show the high quality of their product. In those days the penalty for infringement of a trademark was death. While sanctions are not so severe today, the law still provides strong civil remedies for infringement, and points up the importance that has always been attached to trademarks.

Perhaps in no other field do producers and consumers enjoy such a union of interests, for the trademark offers mutual protection to the producer marketing his goods and to the consumer who relies upon such symbols of excellence in making his purchases. That is why we should continue our efforts to see that U.S. products abroad are afforded the same protection they receive at home. The trademark, as an instrument of domestic and international commerce, guarantees equity to seller and buyer alike.

John K. Tabor

Commerce Today

Vol. IV, No. 19, June 24, 1974

2 Economic Highlights
The recent decline in productivity and associated increase in unit labor costs are unfavorable but the degree of concern is "probably exaggerated," says Commerce's top economist.

4 Newsmemo

5 Inflow Of 'Petrodollars' In Near East Brings Trade Opportunities For U.S. Suppliers
Billions of dollars in orders will be written in next few years, and businessmen of other trading nations may be moving faster to get them than Americans, a Commerce Study Group reports.

8 Building Boom In Coastal Areas Increases Potential Hurricane Toll
Tremendous numbers of mobile homes and potentially unsafe structures being built in hurricane zones offer a major challenge to businessmen and community leaders of those areas.

11 Energy Management Digest

12 Domestic Business Report
Inflation seen moderating, further remedial steps listed—Minority home repair firms get boost from inter-agency accord—'Most ambitious' world scientific project can aid business planners—Extra 119,000 tons of ferrous scrap authorized for export—Consumer electronic firms dropping unprofitable lines—Barges seen as cheapest, safest means of transporting hazardous cargo—Audio-visual imports for home use drop 7 percent.

21 International Commerce Report
Reports by top U.S. envoys in Saudi Arabia, Kuwait, Lebanon, Iraq, Oman—Assessment by educational materials trade mission in Near East—Another trade mission report, on biomedical equipment prospects in Austria, Poland, Yugoslavia—Summary of Sixth U.S.-Korea Ministers Meeting—Licensing, trade opportunities worldwide.

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COVER: *The tremendous inflow of oil revenues into the nations of the Near East will bring ever-increasing opportunities to U.S. suppliers of goods and services, as the article on Page 5 relates. Detailed reports on such opportunities are submitted by U.S. envoys in five countries, beginning on Page 21. Photo shows Aramco seismic crews exploring the "Empty Quarter" of Saudi Arabia across the seemingly endless stretches of desert.*

Recent Plunge In Productivity Does Not Alter Fundamental Prospect For Long-Term Gain

Economic Highlights is prepared by Dr. Sidney L. Jones, Assistant Secretary of Commerce for Economic Affairs.

The recent 6.2 percent decline in labor productivity and the associated 13.8 percent increase in unit labor costs have been a cause of considerable anxiety. While these developments are certainly unfavorable, the degree of concern is probably exaggerated. Long-term prospects for productivity growth remain fundamentally sound. Support for a more temperate view of the figures stems from consideration of how productivity is measured, what causes it to change, and how it relates to the rest of the economy.

The most commonly used measure of productivity applies only to labor and relates Gross Private Product (Gross National Product minus the government sector) to the total number of hours paid for by firms to production, non-supervisory, and salaried workers. Concentration on a *labor* productivity concept often leads to misconceptions and misuses that would not occur if capital and land productivity concepts were commonly used as well. For example, labor productivity is not synonymous with the productivity of the economy as a whole since changes in the productivity of capital and land could provide offsets. This is particularly relevant in the present instance due to the possibility of labor being substituted for capital in cases where capital use involves sharply increased energy costs.

Concentration on a labor concept also fosters the notion that productivity decreases are somehow the fault of labor. Short-term fluctuations in labor productivity are not evidence of changes in morale or ability. More accurately, such fluctuations measure the efficiency with which labor time is used in the productive process in conjunction with other resources.

Use of a national income and product accounts concept as the measure of output is worth comment for two reasons. The first is the short-term volatility this concept introduces. Productivity changes reflect output changes. Given the rather sharp quarter-to-quarter changes in Gross Private Product, therefore, similarly sharp changes in output per man-hour are to be expected. The steep decline in productivity in the first quarter is basically a reflection of the drop in Gross Private Product. The second aspect of using a national income and product accounts concept is the omissions involved. Outputs excluded from Gross Private Product are left out of the productivity calculations as well. These include items such as clean air and water (which require resource inputs like anything else) or personally produced and consumed items such as home-grown vegetables.

Use of an "hours paid" measure of labor inputs also gives rise to a statistical problem. Specifically, the figure differs from the number of hours worked because it includes paid vacation and sick-leave time. The tendency to take advantage of these benefits to stretch out work schedules in slack times and cushion income losses from lay-offs serves to accentuate the swings in labor productivity.

Unit labor costs tend to change in the opposite direction from changes in output per man-hour. The two series are closely related with compensation per man-hour serving as the connecting link. For any time period, the change in unit labor costs may be calculated by dividing the compensation per man-hour figure by the output per man-hour figure (both expressed on a base of 100 percent, e.g., a —6.4 percent decline equalling 93.6 percent and a 4.8 percent increase equalling 104.8 percent). Changes in compensation per man-hour are typically positive and between 5 and 10 percent at annual rates. Therefore, unit labor costs can be characterized as a derived figure whose magnitude is influenced by compensation changes, but whose direction depends more on output variations.

Volatile elements

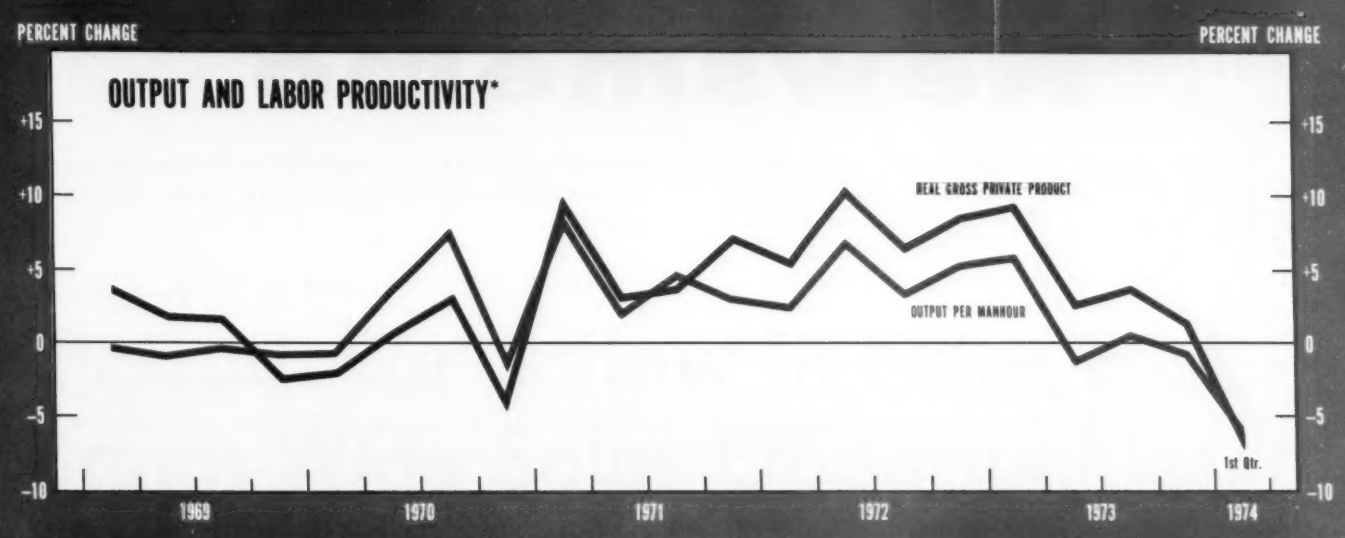
Corresponding to unit labor costs is a data series on unit non-labor payments. This series relates output to non-labor payments consisting of profits, rental income, depreciation, interest and direct taxes (the latter three items making up a subcategory called non-labor costs). Profits and interest are the most volatile elements in the group and account for the bulk of the short-term variations. Since the beginning of 1973, increases in unit non-labor payments and unit labor costs have amounted to about the same magnitude. The pressure on prices, therefore, has included more than increasing labor costs.

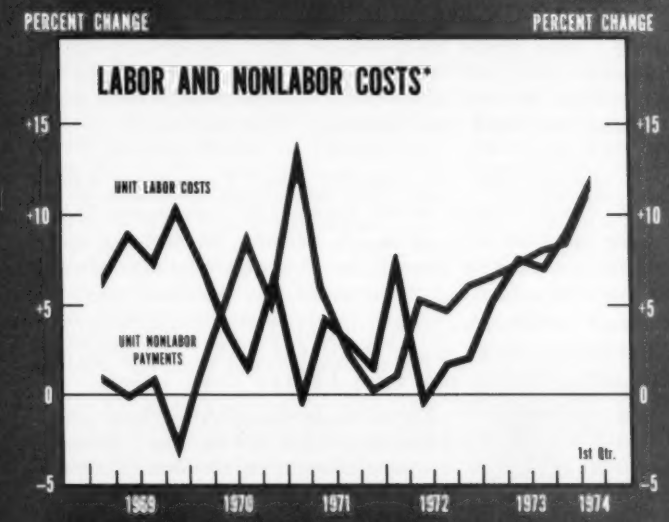
Over the long term, labor productivity has increased for a variety of reasons which augur well for future continuation. These include the availability of material resources, the supply of capital, the state of technology, education, the scale of production, and the mix of production activities. Of these, only the availability of material resources and the mix of production activities have much potential for exerting a depressive force on productivity in the long term.

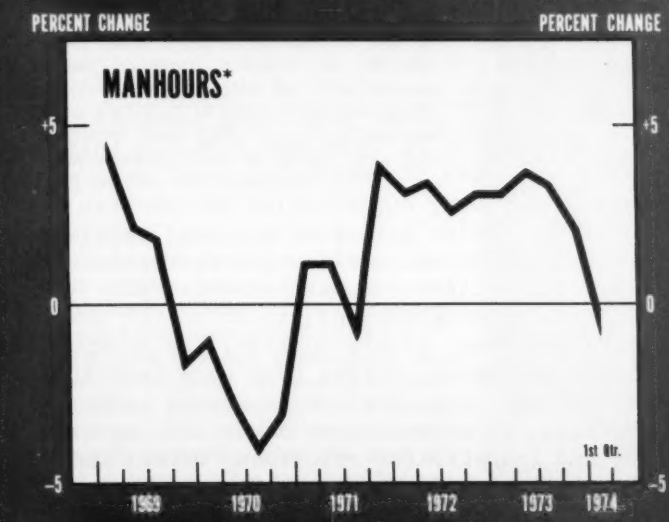
The key scarce material at present is, of course, fuels. Easing world tensions, development of domestic sources, and technological possibilities have made even this prospect less worrisome than it was only a few months ago. The shift of activity from highly productive employment in manufacturing to less productive employment in service industries has the potential to moderate productivity gains, but hardly seems capable of causing declines.

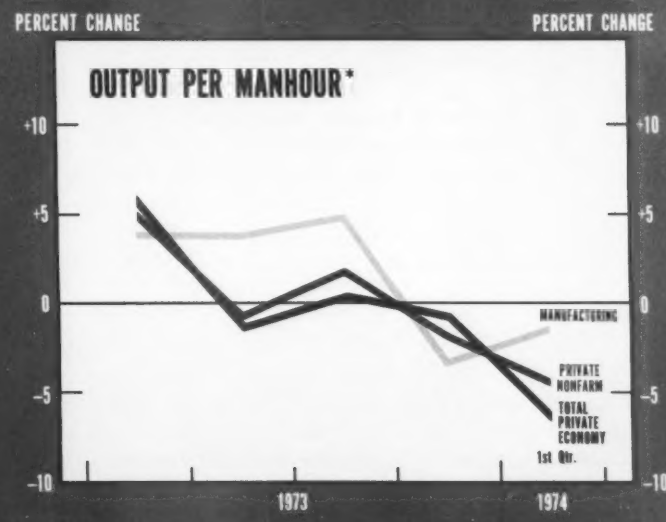
It is a truism that real wage increases should be related to productivity, but the relationship should be between real wages and long-term, overall average gains, not short-term changes for specific industries. Since labor productivity is as likely to increase as a consequence of the introduction of more capital as it is from any intrinsic increase in labor efficiency, the use of such a standard may not be appropriate. Further, an equilibrium distribution of any given type of labor among various industries requires similar real wage rates, not differing rates tied to such factors as the amount of capital involved or the scale of production.

The recent increases in unit labor costs and unit non-labor payments certainly signal more intense pressure on prices. Since these changes are more a consequence of decreased output than of any basic deterioration in the ability of our resources to produce, however, it is clear that the resumption of real output growth will involve decreased price pressures. The year 1972 demonstrated the beneficial price effects of increasing output and productivity. It was an experience we can expect to see again in the coming quarters.









All data seasonally adjusted.
*Quarterly percent change at annual rates.

Newsmemo

How to assure foreign firms' subsidiaries in the U.S. that they will be accorded the same treatment here as U.S. companies? One way, announced this month by Commerce Secretary Dent, is to make them equally eligible for Presidential "E" for Export Excellence awards. Foreign direct investment in the U.S. brings increased employment revenue and tax benefits to the communities in which the plants are located. And as the "E" honor signifies, the exports of American-made products by the foreign-owned subsidiary firms have a positive effect on the U.S. balance of payments.

U.S. mining equipment makers are being made aware of a billion dollar market for their products in Brazil in the next four years. A Commerce survey team just back from Brazil says a dozen major projects and many smaller ones are on the way with about $4 billion being invested in them. Equipment purchases from the U.S. could grow 10-15 percent annually. For a report on this and 13 other sectors in the Brazilian economy, write Latin American Division, BIC, U.S. Dept. of Commerce, Washington, D.C., 20230. It is free, and due to be ready for distribution in August.

The candy man can and can't. Confectioners have had some success in maintaining product quality at a lower cost through reformulation, use of substitutes, and development of simulated ingredients that have proved acceptable to the consumer. Still, the possibility of candy bars selling at retail for 20 cents before the year is out is very real. Manufacturers continue to be hampered by tight supplies and high costs of all ingredients. Prospects for significant improvement in this supply situation in the short term are considered uncertain.

Copper supply tightness means that pennies count. In connection with the shortage, Federal Reserve Board Chairman Arthur F. Burns is seeking to get citizens to cooperate with the Treasury Department to put pennies back into circulation. He has written U.S. banks asking them to accept loose pennies instead of following the practice of accepting packaged coins only. Also, the bankers were requested to assist in awarding Certificates of Special Citation to persons depositing or cashing at least $25 in pennies.

Leaky basements, sagging walls, shifting soil, falling plaster, separated floors--all the things new homeowners shudder over--are to be covered under a new housing industry plan. Called the Home Owners Warranty Program, it is being shaped by the National Association of Home Builders. A new Home Owners Registration Corp. will establish standards, devise a system of guarantees and insurance, and license the local groups that will operate the program. It is planned that the insurance, costing $2 per $1,000 of sale price, will cover the first 10 years of residency, with the builder responsible for the first two and the insurer thereafter.

Americans can expect some friendly, earnest discussions soon about the footwear they like and do not like. A recent marketing conference of the American Footwear Industries Assn. brought out the need for better consumer research. The industry has apparently failed to keep pace with the U.S. economy's growth, and there is a belief that sales are at least 30 percent short because of ineffective marketing techniques. AFIA has now started on a comprehensive consumer research effort, aimed at identifying specific footwear preferences and thus building up the American industry's share of U.S. footwear expenditures.

Plants that could add an important 7 percent to U.S. power generating capacity are not going to be ready per schedule this summer. Scarcity of materials--steel and copper, and heavy construction equipment--changes in design and other technical problems, shortages of skilled labor, regulatory difficulties, and environmental problems are causing the delays. Of the 35 new plants involved, 27 are nuclear. The Atomic Energy Commission, noting that some federal actions have been taken to alleviate power shortages, is appealing to other U.S. agencies and industry for solutions. Delays can force utilities to buy short-lead-time combustion generators to meet peak demands. That means increased fuel costs, which the consumer will have to pay.

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'Petrodollar' Inflow In Near East Brings Wide Sales Opportunities

Billions of dollars in orders will be written over the next few years by the oil-rich states of the Near East and their neighbors for precisely the kinds of products and services in which American companies excel. Unfortunately, a great many of these orders are likely to go by default to British, German, French or Japanese suppliers because U.S. firms are slow in reacting, a Commerce Department team just back from the Near East is reporting.

The potential for increased exports created by the sudden rise in oil income should be recognized and the opportunity seized to participate in the growth of these expanding markets. Much of this big new spending will be by governments—for large development projects and for a variety of machinery, industrial raw materials, and other supplies needed for the operating requirements of their agencies, state monopolies, and government-owned industries.

The visit by President Nixon to five Near East nations was being concluded just as this issue of Commerce Today went to press. Trade, investment and other economic developments were in the range of issues discussed at each stop, according to press reports. Decisions that will flow from these top-level discussions will, in many instances, broaden the already-attractive opportunities for U.S. businessmen described in this article and in the series of Near East country assessments that begin on Page 21 of this issue and will continue in forthcoming issues.

Regardless of recent events in the area there is strong interest in meeting American businessmen and in dealing with U.S. companies. American suppliers need be under no special inhibitions, other than those dictated by common sense and sound business practice in approaching the markets of the Near East.

Decisions are being made every day in the Near East that will limit the scope of available marketing opportunities. However, alarmist stories that the Japanese, French and British already have sewn up all of the really good deals with long-range oil for industrial equipment agreements simply are not true. Some arrangements have been made, some business has been lost. But the reports of such barter-type arrangements seem to have been exaggerated, with the "contracts" frequently having been promotional statements of intent, rather than firm commitments to buy and sell.

Just how important is this Near East market that includes Iran and Arab states? In 1973, U.S. exports amounted to more than $2 billion, about 18 percent of the total market share. By 1980, U.S. sales should be in the range of $7 to $10 billion, or higher, depending upon whether we merely maintain or slightly increase our share of the markets.

Iran's purchases from the United States in 1973 amounted to $772 million; Egypt, $225 million; Lebanon, $162 million; United Arab Emirates, $121 million; and Kuwait, $119 million.

In 1973 oil revenues derived by the major Near East oil producing states totaled $15 billion. The 1974 "petrodollar" estimate is $62 billion, and that for 1975 approximately

SAUDI RECEIVING LINE—*President Nixon greets Saudi Arabian dignitaries at Jidda Airport after his arrival from Cairo. At left is King Faisal of Saudi Arabia; behind him, Sec'y of State Kissinger. An article on Saudi Arabia trade opportunities is on Page 21.*

NEAR EAST CONSTRUCTION BOOM—*Countries in the Near East will be spending most of their vastly increased petroleum revenues on national economic development. This heavy project spending will produce exceptionally attractive opportunities for U.S. firms, according to a visiting Commerce Study Group and the U.S. envoys whose articles begin on Page 21. Photo is of central Beirut.*

$90 billion. The latter includes Saudi Arabia with $36 billion; Iran, $22 billion; United Arab Emirates, $10 billion; Kuwait, $10 billion; Iraq, $10 billion; and Qatar, $2 billion. For 1980, estimates of total oil revenues range from $140 billion to more than $300 billion. Based upon median estimates totaling $180 billion, each major oil producers' revenues should increase by about 50 percent over the 1975 figure.

How will these immense sums be spent? Mostly for national economic development. Much of it, however, cannot be spent usefully now, and so must be invested for the future. Some, also, will go to assist in the development of less affluent countries, directly or through various multilateral organizations. And a large portion is likely to be designated for defense requirements. But the major share of these funds will be earmarked for economic and social development programs. Therefore, exceptionally attractive opportunities exist in the Near East now for U.S. design and engineering companies and consulting firms, as well as for contractors and heavy equipment manufacturers.

Excluding the obvious petroleum production sector, the biggest outlays seem more likely to go for industrial systems. Petroleum refining and liquefied natural gas (LNG) facilities loom largest at this time in the industrial sector planning. They will include what is expected to be the world's largest liquefied petroleum gas (LPG) plant in Kuwait, as well as LNG cryogenic installations. Plants to produce petrochemicals and such downstream products as fertilizers are under active consideration in several Near East countries, including Iran, Iraq, and Saudi Arabia.

Other major industrial projects encompass steel mills, aluminum smelters, copper mining and smelting, cement, textile plants, a sugar mill, and paper mills. The total of industrial projects currently under way or authorized is roughly $10 billion. Obviously, this figure could be dwarfed in a few years as plans to deploy the recent upsurge in oil revenues are drawn up and implemented.

Two levels of demand

The great, unmet needs of the Near East for social and economic infrastructure development must be addressed on two levels. The Arabian Peninsula states, with their relatively small populations and extremely limited manpower resources, and with more developmental distance to travel in less time, do not offer a market for many individual capital equipment items. Although opportunities exist in all countries for turnkey projects and sales of plant packages, in Kuwait, Saudi Arabia, Iraq, and other Gulf states this is likely to be the only way in which most capital equipment will be purchased.

In Egypt, Lebanon and Iran, professional and managerial resources and government programs have evolved to the point where many separate capital items are marketable. Some of the social and economic infrastructure applications for which good sales prospects exist are biomedical equipment, educational equipment and materials, power generating machinery, water resources equipment, and a broad line of durable consumer goods.

The various countries' development plans call for wholesale quantities of schools and universities; hospitals and clinics; residential and business construction; all types of transportation, power, and communications systems; mills; factories; model farms; fishing facilities; and water supply and purification systems, along with the universe of equipment and skills required to plan, construct, and operate such facilities.

Regarding consumer goods, although the

largest expenditures are those pegged to big projects, Near East countries also represent an important and growing market for a broad range of consumer products, limited more by relatively small urban populations than by import duties or quotas. Highly salable items range from luxury automobiles to specialized food products, and from photographic equipment to air conditioners, refrigerators, and other appliances. American-made consumer goods are held in the highest regard by businessmen and end-users throughout the Near East.

Getting a share of these lucrative markets involves at least an initial trip to the area, to get a feel for the market, determine the salability of your products or services, and find effective local representation. The key to successful sales in the Near East is the personal touch. Businessmen in this area are famous for their informal business approach and their hospitality. Personal visits and face-to-face salesmanship still is the tried and true method of market promotion in the countries of the Near East. While it is true that some sales have been made in the area by firms that have never sent a man there, the really big sales and continued business come as a result of exploratory and follow-up visits by Americans who realize that this method is the only really effective way to meet and beat the intense competition from aggressive European and Japanese businessmen. In the Near East, as elsewhere, appearance of a company's senior executives sometimes can markedly improve business contacts' receptivity.

Thus, American firms that are aggressive in their sales methods, have selected effective local agents, and send key sales executives frequently to the area can expect to increase sales in spite of intense competition from British, French, German, East European, and Japanese firms that are aggressively pursuing business opportunities in both the public and private sectors.

U.S. companies interested in introducing product lines to the Near East market should be aware of upcoming trade promotion events in the area sponsored by the United States Department of Commerce. Fiscal year 1975 exhibitions at the recently opened U.S. Trade Center in Tehran will feature institutional feeding systems, vocational and educational systems, automotive servicing equipment, and food processing and packaging. The smaller U.S. Regional Trade Center in Beirut, which serves as a coordinating center for promotional activities in the area, will sponsor an offsite exhibition on automotive servicing and repair equipment in February while a specialized building materials exhibition will be mounted at Riyadh, Saudi Arabia, in April. Department of Commerce trade missions to a number of Arab states in the coming fiscal year will cover such industries as specialized building materials, portable generating and road maintenance equipment, light industry metal and woodworking equipment, railroad equipment and business systems.

Country articles continue on Page 21.

This article contains highlights from a newly-completed Bureau of International Commerce (BIC) publication "The Near East Market: A Report to U.S. Business" which points out new export opportunities from greatly increased oil revenues, offers suggestions on entering the market, and describes pertinent assistance available from BIC. It is scheduled to be issued in mid-summer.

Prepared by a Near East Study Group that recently visited Cairo, Baghdad, Tehran, Kuwait, Abu Dhabi, Jidda, Riyadh and Beirut, the publication includes information and assessments gathered from U.S. Commercial Officers at those posts, foreign government officials and businessmen, and resident U.S. businessmen. It also reflects the expertise of the BIC Washington staff members.

In conjunction with this article, the International Commerce Report section of this issue contains articles from individual Near East countries, prepared by U.S. Ambassadors and other top U.S. officials especially for Commerce Today readers. These reports are from Saudi Arabia, Kuwait, Lebanon, Iraq and Oman. Further country reports will be published in forthcoming issues.

COMMERCE TEAM MEETS U.S. BUSINESSMEN—*Introducing the Near East Study Group to a Beirut audience is Albert N. Alexander of the U.S. Embassy. Clockwise, from Alexander, are David E. Westley, Commerce official who headed the Near East Study Group and wrote this article; Stephen M. Conger, Group member; Robert O. Waring, U.S. Embassy official; Evans E. Gazala, First National Bank of Boston; David S. Dodge, Tapline; Eugene Seaholm, President, Amlevco; Edwin B. House, Amlevco; Ziad H. Idilby, First National Bank of Chicago; E. G. De Grand Pre, Otis Elevator Co.; Lafayett Kirban, President, Squibb Middle East S.A.; Carl G. Peterson, Chemico Overseas Corp.; William H. Allman, American International Underwriters Mediterranean, Inc.; A. E. Williamson, Chicago Bridge Ltd.; John D. Haight, Westinghouse Electric S.A.; and John T. Haldane, Group member.*

Building Boom In Coastal Areas Increases Potential Hurricane Toll

Will there be another Galveston? This is a question that is being asked now by hurricane experts who are deeply concerned by the tremendous number of mobile homes and potentially unsafe structures that are appearing along the Atlantic and Gulf coasts, much of it close to the water's edge.

Weather Service officials emphasize that this situation is a major challenge to businessmen and other community leaders in many coastal areas. Where community leaders have not done so, they add, they should take the lead in providing for adequate land use management, realistic building codes, effective public education programs on what to do if hurricanes should move toward their communities, and workable civil defense evacuation procedures.

The vast development and building boom along the coasts is a phase of the population explosion, reflecting particularly the great increase in the number of retired persons and others who are establishing homes in the attractive coastal regions.

The reason Galveston comes to mind is that the 1974 hurricane season is now here. The season runs from now through November. Most of these devastating pinwheel-shaped storms strike U.S. coasts in August, September, and October. September is the peak month.

It was on September 8, 1900, that Madame Fury blew out of the Gulf of Mexico and zeroed in on Galveston, Texas. The people of Galveston had seen storms and overflooding before, and many refused to be frightened. Some rocked indifferently in porch swings as the storm pounded their island city, or watched the spectacular waves. But one man, Dr. Isaac M. Cline, the local forecast official of the Galveston Weather Bureau, was thoroughly scared. Desperately, he drove his horse-drawn cart around the beach, warning people: "This one is different. Get out now."

When the storm was over, 6,000 people were dead in the worst disaster in the recorded history of North America. Dr. Cline's pregnant wife died, and he almost lost his own life. But it was estimated that if he had not played Paul Revere the death toll might have been double what it was.

In 1969, Camille, another storm that was different, smashed the Mississippi Coast with winds believed to exceed 200 miles an hour and with a rising wall of water that reached 20 feet above normal. Some people in an apartment building in Pass Christian, Mississippi, invited a couple of friends to ride out the hurricane in their apartment. The couple decided to stay in their own house, and in consequence lived. The apartment building was destroyed and all 24 of its occupants died.

Dr. Neil L. Frank, Director of the National Hurricane Center at Miami, says another Galveston could happen because of the concentration of mobile homes and vulnerable construction along coastal areas, combined with poor evacuation roads.

And this is in spite of the fact that Commerce's National Oceanic and Atmospheric Administration (NOAA) acts as coordinating agency for the world's most sophisticated network of hurricane spotters, trackers, and forecasters. Never before has the hurricane tracking and warning system been as good as that in the United States now, and in consequence the loss of life from hurricanes in recent years has been greatly reduced. This has occurred while property losses from hurricanes have soared.

But hurricane experts are fearful that one day the nation might wake up and find that this excellent record had been marred by one smashing blow from a wind-swept sea. They point out that the only answer to a powerful hurricane for thousands of coastal dwellers is still Dr. Cline's advice "Get out now." Unless they do so, or can be evacuated, what happened at Galveston or to the apartment-dwellers at Pass Christian could happen to them.

'Vertical evacuation'

One alternative to the usual evacuation measures is the so-called "vertical evacuation" proposal advanced in Dade County, Florida, where safe high-rise structures that conform to sound building codes could be selected as refuges to which people evacuated from their homes could walk within a reasonable time.

But Dr. Frank points out that this would be a last resort and should not be adopted as a substitute for evacuation of people to protected areas.

It is estimated that nine out of ten hurricane deaths in the past have been from drowning. The big killer is the enormous tide tossed up by the wind rather than the wind itself. People who take refuge in buildings located near water need to realize that the building must be strong enough to withstand this tide, which in some cases

The Business Toll

Information compiled by NOAA estimates that the 10 most destructive hurricanes of the last 30 years destroyed property valued at more than $9 billion and killed nearly 1,500 persons. A great deal of the property loss was commercial and industrial, but a large portion also was residential. The most destructive of the storms was Agnes, which actually was a tropical storm that moved up the coast in 1972. In addition to killing 117 persons, Agnes destroyed property estimated at some $3.1 billion. This storm destroyed or caused major damage to 5,842 small business establishments in several states. The primary damage was from flooding in Pennsylvania and adjoining states.

Betsy in 1965 and Camille in 1969 each destroyed property estimated to be worth about $1.4 billion and killed 333 persons. Property losses from the remaining major hurricanes were substantially less. A New England hurricane in 1938, which caused property losses in excess of $380 million, killed 600 persons.

may rise 15 feet above the level of the first floor.

Since many structures could not stand up under such a tide—particularly a slashing, battering tide—safety would require that people be sheltered in structures sufficiently back from the beach, or on ground high enough, that a high tide would not reach them.

Dr. Frank and his colleagues at the Hurricane Center have recently completed a study of population growth and hurricane history from Texas to Maine showing that 60 percent of the Gulf and Atlantic Coast residents have never experienced even a moderately strong hurricane. This means 21 million of the 35 million coastal dwellers.

"This fact," Dr. Frank says, "makes it imperative that Weather Service officials educate the public to the enormous potential for death and destruction in a powerful hurricane. Even Miami hasn't felt the full brunt of a strong hurricane since 1950. Yet the average Miamian feels he's a veteran of tropical storms."

Fewer and milder

Pointing out that the last two years have been characterized by a minimum in both number and intensity of North Atlantic tropical cyclones, he says:

"We believe the reason for these two years of relative calm was that surface waters of the central Atlantic have been a little cooler than normal, and that winds have been unusually strong in the upper atmosphere over tropical areas where seedling storms usually strengthen. Both of these conditions would have a diminishing effect on hurricanes.

"There is no way to tell whether this trend will continue. But calm periods like this always make us uneasy because they lessen public awareness of the threat."

A special area of concern cited by Dr. Frank is the growing number of people who live in mobile homes in coastal areas, particularly in Florida.

"No one should attempt to ride out a hurricane in a mobile home," Dr. Frank says, "even if it is securely anchored to the ground with both frame and over-the-top ties. We strongly recommend that mobile home occupants seek shelter elsewhere. Flying debris in a hurricane can pierce or crush the walls of a mobile home."

Nevertheless, the Weather Service recognizes that properly engineered tiedowns for mobile homes will save many of them from destruction in a hurricane, and recommends that all mobile-home owners install an anchoring system. Information on what constitutes an adequate tiedown system may be obtained from local Civil Defense officials by asking for Publication No. TR-75, "Protecting Mobile Homes from High Winds," or from the Mobile Living Communication Center, Post Office Box 3431, Chicago, Ill. 60654.

THE WAKE—*No home is absolutely secure against the might of a hurricane, but the mobile homes which are sprouting up in such great numbers in low-lying, hurricane-prone areas are easily the most vulnerable. This is what Hurricane Celia did to a mobile home community in Corpus Christi, Tex., in August 1970.*

Dr. Frank says one of his most acute anxieties involves the thousands of mobile homes on the Florida Keys, accessible to the mainland by a two-lane highway and a series of bridges only a few feet above sea level. He says that about 60,000 people live in the Florida Keys, and that an estimated 10,000 mobile homes are in the area, occupied by perhaps 20,000 to 25,000 people.

'No place to go'

"We're going to advise those people to leave their mobile homes and evacuate to the Miami area even if a minimal storm is approaching," he says. "Not long ago a truck accident on one bridge closed the escape route for seven hours. It gives me chills to think of something like that during a hurricane storm surge. If people were trapped down there, the water would rise and they would have no place to go."

An impossible situation would develop, he says, if some of the owners of smaller-type mobile homes tried to move them out.

Pointing to the tremendous population grow in recent years in the Florida coastal areas, Dr. Frank says that there are now about 350,000 people in Palm Beach County, probably as many as 100,000 living in mobile homes. Other examples of the tremendous population growth in recent years, he says, are:

Broward County, perhaps the fastest-growing county in the United States, with a population growth of about 6,000 a month, and a population now approaching a million. The last major storm that struck the area was in 1947, when the population was about 80,000. Thus Broward now presumably has nearly a million hurricane innocents and relatively few veterans.

The Tampa Bay area has a population of

DETOUR—*Auto traffic alongside this Gulf Coast canal had an unusual roadblock after Hurricane Betsy passed through in 1965. Inadequate escape routes are a major danger.*

more than a million scattered over a few counties. Many people in this beautiful area live on offshore islands accessible only by bridges. The last major storm to hit the area was in 1921, when the population was about 10 percent of what it is now, although the locality has had brushes with storms. Thus, here are perhaps another million hurricane innocents.

"Most of the Tampa Bay people don't appreciate how vulnerable they are," Dr. Frank says. "We can't predict how people who are not hurricane veterans will respond if a powerful hurricane should strike."

East Coast spared

He recalls that the East Coast has not had a moderately strong hurricane since Donna in 1960. The hurricane trackers believed that Donna would strike the Tampa Bay area, but instead it took a turn and made a landfall around the Ft. Myer area some 100 miles away.

"If Donna had followed the track that we forecast, there would have been a disaster," Dr. Frank says.

In Broward County, the Tampa Bay area, and in all the highly populated localities in Florida and many other states, he says, many people live in mobile homes.

"We are not saying," he explains, "that mobile homes are poor policy. Actually, they provide a fine way of life, particularly for the numerous retired persons who occupy them. People can enjoy them and there is not so much work to do, as often is the case with a home. But people should be knowledgeable about their vulnerability, and they should be ready and able to evacuate if a strong hurricane is approaching."

He recalled that many retired persons live on their Social Security checks and could not afford elaborate quarters. A lot of these people, he says, can't drive. Obviously, they would need help to be evacuated in case of a severe storm.

Dr. Frank points to some other areas of concern, such as the following:

- Island development: Not only in the Tampa Bay area, but in many other localities along the northern part of the Gulf, and along the coast of Georgia and the Carolinas, developments are going up on offshore islands. The islands that are most attractive to people are those accessible by bridges, which often are narrow. The floor level of the island homes frequently are only four or five feet above the water line, and thus these alluring homes would be sure targets for the storm surge if a severe hurricane should strike.
- Sand dunes: In many cases, massive sand dunes top the offshore islands. Some communities permit construction of homes on heavy horizontal cement slabs laid down on leveled-off sand dunes. In ordinary times such construction is safe enough. But what worries hurricane trackers, Dr. Frank says, is that if a hurricane should strike, the cement slab might be undermined by the storm tide washing out from under it the sand on which it rests. A far better plan is to drive deep vertical piling into the sand until it reaches hard rock, and then place a cement slab on top of the piling, building sufficiently high above the water level that the danger from the storm surge would be reduced to a reasonably safe point. Dr. Frank says such structures probably would not be seriously damaged by undermining of the sand base.
- Padre Island: A vulnerable place off the Texas Coast, Dr. Frank says, is Padre Island, a narrow ribbon of land extending from Brownsville up past Corpus Christi. In 1967, Dr. Frank recalls, Hurricane Beulah cut 30 channels across this island. Yet, he says, a considerable amount of construction is going up on Padre Island now, including commercial building.
- Cape May County: Cape May County, New Jersey, ordinarily has a population of about 60,000. But an enormous number of tourists enter the area in the summer, so that on a pleasant summer day there may be a half million people in Cape May County, and on a weekend a million.

"If a hurricane began moving toward this area during the tourist season," Dr. Frank says, "we might have a problem getting the tourists out, particularly if the hurricane was like Hazel, which struck the Atlantic Coast in 1954, and moved landward at 40 or 50 miles an hour."

- Overcrowding: A general problem, Dr. Frank explains, is the overcrowding in many beach areas, and the inability of the available roadways to get people out quickly if a hurricane should start moving landward.

Not anti-development

"We are not saying 'No, you shouldn't develop'," he explains. "But people should be aware of their vulnerability, and of the necessity of evacuating while there is still time if a hurricane should start moving toward their area. One big help to us is good building codes which require construction that would be reasonably safe under most circumstances.

"Where evacuation should be blocked or delayed too long, drastic action on the part of local authorities probably would be necessary to place people in the safest available structures, even though a great deal of inconvenience resulted. Fortunately, hurricanes are relatively rare, and the severe ones even more rare."

Weather Service officials warn that a potential for disaster exists in a number of low-lying areas with limited escape routes. Dr. George P. Cressman, Weather Service Director, says: "Unless something is done to curb overbuilding in such areas, nature is likely to impose its own solution."

And as has been demonstrated many times, nature's solution can be severe indeed.

The hurricanes of the 1974 season will start off with the following names: Alma, Becky, Carmen, Dolly, Elaine, Fifi, and Gertrude. But don't let these dulcet names deceive you. Madame Fury of Galveston could ride on one of them.

Energy Management Digest

ENERGY SIDE-EFFECT?...An industry leader urges the nation's architects not to let the energy shortage lead to an architectural disaster. "I hope that the architectural legacy of the current energy shortage will not be a generation of inhumane structures that represent a shoot-from-the-hip attitude with regard to design and use of building materials," says Robinson F. Barker, chairman and chief executive officer of PPG Industries. The Pittsburgh executive said the energy shortage actually can help make a virtue out of necessity. "Last winter's gasoline shortage required us all to at least temporarily reconsider the role of the automobile," Barker said. "Likewise, anticipated restrictions on land use and development, spurred by the energy shortage, have created a need for product and process innovations as well as more responsive design. Certainly, the availability and cost of energy are going to be more important design considerations. Many energy saving products--such as insulation--have been standard for years. More energy conserving innovations will appear as the fruits of industrial R&D efforts, encouraged and prodded by designers and public agencies such as GSA."

'JERRY CAN' STANDARD PROPOSED...Increased storage of gasoline by private individuals is stimulating interest in a recommended voluntary product standard providing performance requirements for plastic 'jerry can' containers used to store gasoline and other petroleum products. Commerce's National Bureau of Standards is circulating the recommended standard in order to determine its acceptability to producers, distributors, users and fire code officials. Some states allow the use of plastic jerry cans for the temporary storage of gasoline. Others prohibit plastic containers because of a lack of adequate standards. When approved, the new safety standard will provide a basis for uniform regulations throughout the country. The standard includes requirements and tests for flammability, softening point, brittleness temperature, aging stability, strength, permeability and petroleum resistance. Copies of the recommended standard, designated TS 125e, are available without charge from the Office of Engineering Standards Services, National Bureau of Standards, Washington, D.C., 20234 (301-921-2356).

ENERGY PRICE RISES SEEN ENDING...Secretary of Commerce Frederick B. Dent says that the unprecedented price increases of energy of the past year are "pretty well behind us." Speaking before the City Club of Cleveland, Secretary Dent noted, "Energy conservation in the short run, coupled with Project Independence to develop our own resources in the long run, should prevent a repeat of this unprecedented surge in energy prices." Dent said the "brightest spot in the economy has been the remarkable success the U.S. has achieved in international trade," advancing from a deficit of $6.4 billion in 1972 to a $1.7 billion surplus in 1973. "During 1974," he added, "we have had a trade surplus every month but March, and this in spite of the tremendous increase in the cost of energy imports."

GEORGIA GETS ENERGY HELP...Commerce's Economic Development Administration has issued a $134,970 grant to Georgia Tech's Research Institute to help overcome energy-related problems and stimulate long range economic growth in the state. The Research Institute's Engineering Experiment Station will conduct a year-long program that will include compiling data on energy use in the state and providing technical assistance to firms experiencing difficulties because of energy shortages. It will conduct workshops and seminars to encourage cooperation between businesses and government agencies involved in energy problems and programs. Specialists will prepare energy profiles based on studies of energy use by industries in general; energy use within plants; the impact of shortages, and possible alternate fuels and processing methods. Special attention will be given to small firms which are experiencing energy problems. Findings of the Georgia program could be useful in preparing regional and national plans for avoiding energy-related job losses.

End To Inflationary Rampage Seen As Economy Stabilizes; Further Curative Steps Listed

Almost all of the U.S. economy's problems stem from one fundamental problem, inflation, and to some extent, the efforts to defeat it, declared Under Secretary of Commerce John K. Tabor in a recent Monongahela, Pennsylvania, address.

"The annual rate for the first quarter was 11.5 percent. It's terrible," Tabor acknowledged, "although it is better than any other industrial country."

While fuel and food costs are the most visible evidence of inflation, Tabor points to several underlying causes which are at the root of the problem:

► The vastly increased wealth of so much of the world, particularly the nations which were devastated by World War II but are now bursting with prosperity;

► The shortages of so many items which, combined with the increased wealth which is available, make inflation inevitable as those with the money bid up the price of the goods;

► Federal budget deficits—spending more dollars than are received, thus generating more dollars out there to chase the limited supply of goods. At bottom, we citizens who demand more government programs are also responsible, Tabor reminded his listeners.

How to cope

Traditionally, many economists and politicians favored "a little inflation," he went on, because it added to demand and kept sales going. But today the problem is not lack of demand. There's too much demand.

Today the inflation isn't a comfortable stimulus for demand; rather it is a force eroding purchasing power and threatening prosperity. Hence, though most persons are spending all they have, they are not buying appreciably more than before. If this continues, demand and production could fall off, even with inflation, Tabor said.

"That would be trouble."

So we must, above all, cap or curb inflation. Here's how Tabor would do it:

First, by following a continued tight monetary policy based on high interest rates. It hurts housing, but we should hold to the course for another 90 to 100 days. The recent break of the prime rate at 11¾ percent, back downwards to 11½ percent and 11¼ percent is a good sign.

Second, the government must reduce its deficit this year, and reduce it further next year. Old time budgets, near balance on real terms rather than full employment terms, are essential.

Third, tax cuts unaccompanied by equivalent spending cuts, must be rejected. Otherwise, the economy will only generate more dollars, more demand, more inflation.

Fourth, the nation must expand its productive capacity. On the farms, this is occurring. For the first time in 40 years we shall not pay farmers *not* to grow. Nearly 50 million additional acres will be in production this year that were not so two years ago. Likewise, with controls ended, manufacturers can now achieve the profits needed to build plants and buy machinery. In 1974, $112 billion is going to be spent on new plant and equipment—an increase of 12 percent over last year. This can't occur too soon, both to buoy the economy generally, and dampen inflation by increasing supply.

Finally, we must increase productivity. "I do not here refer to new acres, or new plants; rather I refer to more production from what we have. This will mean goods produced for less, which should mean lower prices. That means turning back inflation," Tabor said.

Hopeful signs

There is downward pressure on oil prices now—and Tabor foresees some reductions in wholesale petroleum prices in the months ahead. Beef prices are down. Wheat, corn, soy and cotton are down, causing farm product prices to decline more than 5 percent during March and April. And the bubble contained by price controls appears to have been substantially released. It is encouraging that the April Consumer Price Index rose 6/10 percent—the first month less than 1 percent this year.

With solid action by the Federal Reserve holding growth in the money supply more moderate (about 6 percent per year), keeping interest rates high; with curbs on government spending; and with increased agricultural and industrial output, Tabor believes that inflation at year-end will be down to a range of between 7 to 8 percent. It can get lower again in 1975—to 6 percent, in his view.

Overall, even though strong inflation may continue for a while, the fundamental forces are now free to work favorably, said Tabor, citing:

- Business investment in new facilities is expected to continue strong throughout the year; there are indications that the energy problem has induced further outlays for new facilities in certain industries which have offset cutbacks in other sectors;
- The economy showed remarkable strength through the oil embargo. Although automobile production fell about ⅓—which was expected to torpedo the steel, glass, rubber and other auto-related industries—that didn't happen. Instead of unemployment shooting up to 8 or 10 percent as many predicted, it rose from 4.6 percent in October to 5.2 percent in January, fell to 5.1 percent, then 5.0 percent, and is now at 5.2 percent again. This was heartening;
- Banks already have knocked down the prime rate a little and it is likely that the monetary situation will ease enough to permit a significant recovery in homebuilding later in the year;
- The other major weak sector, autos, has shown signs of revival over the past several months and further gains are expected;
- There should be less pressure for further price rises for petroleum products;
- Prices in many cases are at levels that will permit a reasonable profit as production increases in the months ahead;
- Food prices have already declined; this is most important because it will help dent the psychology of inflation, because food is the most visible and most sensitive category.

"All these will, I believe, be accompanied by a continuously, though gradually increasing rate of real growth in '74 and '75—reaching a rate of growth of 3 to 4 percent for 1975," Tabor said. "The problems emerging from the economy are new and different; they are not the old familiar problems of short demand, cured by public works programs, tax cuts, or additional deficit spending. They are new problems of supply, of excessive demand, of inflation. To meet the new problems, as Lincoln counseled, 'we must think anew, we must act anew'," Tabor concluded.

Fishing Vessel Builders Can Get 75% Cost Backing

Permanent regulations, of particular interest to the fishing industry and those who finance fishing vessels, have been announced by the National Oceanic and Atmospheric Administration.

The Fishing Vessel Obligation Guarantee program is authorized by Title XI of the Merchant Marine Act of 1936. It facilitates the private capital market's responsiveness to the investment capital needs of domestic commercial fishermen by guaranteeing up to 75 percent of the cost of constructing, reconstructing, or reconditioning commercial fishing vessels of five net tons or over.

The new regulations, which are generally regarded as less restrictive than earlier ones, incorporate a number of the comments received by the Secretary of Commerce about interim regulations proposed last July for administering the program.

Major revisions involve: reducing the guarantee fee from one percent to one-half of one percent per annum of the guaranteed obligation's average outstanding principal amount; adding flexibility to criteria for determining economic soundness; and, defining the term "facilities or equipment" pertaining to marine operations.

Details are available from the Financial Assistance Div., National Marine Fisheries Service, NOAA, Washington, D.C. 20235.

'74 Capital Spending Projection Dips Slightly

U.S. businessmen expect to spend $112 billion on new plant and equipment during 1974, according to the survey conducted in late April and May by Commerce's Bureau of Economic Analysis. The projected 12.2 percent rise compares with 12.8 percent in 1973 and 8.9 percent in 1972.

Actual capital outlays in the first quarter of 1974 rose 3.4 percent to a seasonally adjusted annual rate of $107.3 billion. Projected gains are 3.1 percent in the second quarter, 2.3 percent in the third, and 2.5 percent in the fourth.

This last projection for 1974 is about $750 million, or two-thirds of 1 percent, below March. The downward revision was for the second half of the year; actual outlays in the first quarter about equaled expectations and second quarter expectations were raised one-half of 1 percent.

The downward revision in 1974 programs centers in nonmanufacturing. Electric and gas utilities, mining and communications firms have lowered programs since the March report, more than offsetting increases by transportation firms.

MINORITY CONTRACTOR—*Under a three-agency agreement, minority home repair contractors will receive information, training and financial aid to assist them in obtaining rehabilitation contracts for some of 78,000 government-owned single family homes.*

Minority Home Repair Contractors Get Boost From Interagency Accord

Minority and small construction contractors should find new business opportunities as a result of an agreement signed recently by three government agencies: the U.S. Department of Housing and Urban Development (HUD), the Small Business Administration (SBA) and Commerce's Office of Minority Business Enterprise (OMBE). The agreement is designed to help furnish information, training and financial aid to small and minority group home repair contractors who want to get involved in HUD's property disposition program. HUD has a large inventory of foreclosed properties, nearly 78,000 single family homes across the country which to be repaired and sold.

The Small Business Administration will provide financing and surety bond assistance and OMBE will offer technical and managerial support.

Under Secretary of Commerce John K. Tabor, Chairman of the Interagency Council on Minority Business Enterprise, hailed the agreement as opening "new avenues through which interagency cooperation can provide for equal business opportunity while offering participants a new market for their services."

According to HUD Assistant Secretary for Housing Management H. R. Crawford, "There is a substantial volume of home repair work involved in this program. We estimate as much as $100 million annually across the country, based on a $3,000 minimum repair potential for units that need work."

Contractors who participate in the program will be provided workshop training sessions, and given the opportunity to qualify for performance and payment bonds, and assistance in obtaining working capital loans. They will also receive ongoing management and technical assistance, and an opportunity to qualify as bidders in the property disposition program. HUD, OMBE and SBA will coordinate workshops (already scheduled for New York City, Los Angeles, Kansas City and Philadelphia) to acquaint local contractors and real estate brokers with HUD's property disposition program. Each workshop will be followed by a four-week specialized intensive training course for repair contractors.

OMBE's primary role in the program is to assure that the minority contractors receive adequate management, technical and financial assistance to complete the rehabilitation contracts. The Minority Contractors Assistance Project Inc., an OMBE-funded national assistance organization, will conduct part of the follow-up training for minority contractors, in addition to the assistance provided through OMBE's local business development organizations and construction contractor assistance centers nationwide.

'Most Ambitious' World Scientific Project Can Aid Business Planning

Businesses which are dependent on the weather may soon be able to plan operations a week earlier than present forecasting techniques allow, thanks to the world's most ambitious international scientific experiment, which is now under way in the mid-Atlantic.

A 100-day, 72-nation study of tropical weather and the oceans opened June 15. Field headquarters for the Global Atmospheric Research Program—Atlantic Tropical Experiment at Dakar, Senegal, is directing the largest and most complex international scientific undertaking ever conducted.

Environmental information on the experimental area—gathered by six types of spacecraft and by weather stations in equatorial nations and territories—are beginning to flow into collection centers, beginning the most comprehensive environmental data set ever assembled for scientific study.

GATE is the first major international observing study in the Global Atmospheric Research Program sponsored by the World Meteorological Organization and the International Council of Scientific Unions. The satellites and land stations, as well as 40 instrumented ships and 13 research aircraft, will observe atmosphere and ocean conditions in a tropical region extending from the eastern Pacific Ocean—across Central and South America, the Atlantic, and Africa —to the western Indian Ocean. Data collected during the experiment will be used to expand man's understanding of the tropical atmosphere and its ultimate effects on global weather. It is also expected to lead to better understanding of the mechanisms which produce climate changes such as the drought now affecting Africa's Sahelian belt.

Tropical regions receive half of the sunshine that strikes the earth, and act as the boiler of the giant heat engine which drives the atmosphere's global circulation. The GATE project is designed to collect detailed information on air and ocean behavior in the equatorial regions needed to develop methods of predicting weather at higher latitudes a week or more in advance. Knowledge gained from the experiment also could improve understanding and prediction of tropical weather, hurricanes, and other storms.

Before the first of three GATE observation periods begins on June 26, participating ships and aircraft are conducting extensive measurements with their weather and ocean sensing systems. Ships from ten nations steamed to designated areas in the Atlantic where, beginning June 17, they are comparing observations and checking operational and data management procedures. During the same period, many of the 13 aircraft from five nations will fly group intercomparison missions from Dakar's Yoff Airport, checking the readings of their airborne weather sensing systems. Additional instrument comparisons will be conducted during the experiment, which is scheduled to end on September 23.

Publication Summarizes Data On 400 Industries

Summary data from more than 400 industry reports published by the Bureau of the Census have been brought together in the publication "General Statistics for Industry Groups and Industries," just published by the Commerce Department's Social and Economic Statistics Administration.

The report, MC72 (P)-1, contains summary statistics for the United States from the 1972 Census of Manufactures. It presents data on the total number of manufacturing establishments in the United States and the number in each particular industry. It presents also preliminary totals on numbers of employees, payrolls, value-added-by-manufacture, cost of materials, value-of-shipments and capital expenditures for each 2-digit, 3-digit and 4-digit industry category.

The data are presented under the new code numbers assigned the industries by the Office of Management and Budget in 1972. This information differs from that which appeared in an advance report bearing the same general title issued in December and based on Annual Survey of Manufactures data. The earlier report, with preliminary data, was based on the 1967 Standard Industrial Classification code.

A companion report of the 1972 Census of Manufactures, "General Statistics for Geographic Areas and States," MC72(P)-2, was issued earlier. That report presented totals for all manufacturing activities for the United States as a whole, for its regions and divisions, and for states.

The reports are for sale by the Publications Distribution Section, Social and Economic Statistics Administration, Washington, D.C. 20233. Each report is priced at 50 cents a copy.

New Sanitation Inspection Service Available To Seafood Processors

A new kind of inspection service is now offered to fish processing plants by Commerce's National Oceanic and Atmospheric Administration, in which the processing plant itself is the target of inspection rather than the food items produced.

The service, which is rendered by NOAA's National Marine Fisheries Service, is expected to benefit both manufacturers and consumers of seafoods. It was established partly in response to many requests from owners and operators of processing facilities. Heretofore, plant inspection was available only as a part of the more comprehensive (and more expensive) product inspection service.

Under the new system, officially put into operation May 30, NMFS will help fish processing plants establish and maintain satisfactory levels of sanitation and hygienic practices that will facilitate the production of clean, safe seafood. The inexpensive service is being made available on a voluntary, fee-for-service basis, and entails inspection of plants only, unless the processor desires inspection and certification of fishery products as well.

The mode of operation for the "Sanitarily Inspected Fish Establishment Service" involves, first, a request by a seafood company for an analysis of the sanitary conditions in its plant. After a series of sanitation surveys designed to pinpoint the strengths and weaknesses of the facility, an NMFS inspector presents a proposal for any necessary improvements in hygienic practices.

Once the weaknesses have been eliminated, the inspector will visit the plant once or twice a week. It is expected that most plants, once approved, will continue the inspection service, primarily to assure maintenance of high operating standards.

When all minimum sanitary requirements have been met, the NMFS awards a plaque to the company, asserting that its plant facilities and operating practices are capable of producing clean and safe fishery products. The name of the processor is then included on a list of commercial seafood producers that are sanitarily inspected and approved by the Federal Government. The list is published every three months, with updating and amendments each month, in the NMFS "Guide to Federally Inspected and Approved Fish Establishments and Products."

If a fish processing plant becomes unable to meet the sanitary inspection requirements and is unwilling to correct deficiencies, it will lose Government approval, and it must return the NMFS certificate and is removed from the approved list. Similarly, if an approved plant drops the voluntary inspection service, it loses its official status.

Inquiries concerning the new voluntary inspection service may be addressed to the Director, National Marine Fisheries Service, NOAA, Washington, D.C. 20235.

Fire Safety Report Recommends Systems Approach To Cut Deaths, Property Loss In High-Rise Blazes

The United States leads all major industrialized nations in per capita deaths as well as property loss from fire. The total cost of destructive fires is estimated at $11 billion per year.

The death rate attributed to fires on a per capita basis is twice that of Canada, four times that of the United Kingdom, and six and one-half times that of Japan. More than 12,000 persons in the U.S. died in fires in each of the last six years. Only motor vehicle accidents and falls rank higher in causes of accidental death.

These staggering statistics are to be found in a report on "Occupant Safety in Building Fires" prepared by Commerce's National Bureau of Standards. The report deals particularly with problems involved in fires in high-rise buildings.

In an attempt to reduce deaths and property losses from fires, the Bureau of Standards has made a number of recommendations relating to fires in high-rise structures, and fires caused by kitchen ranges and by the improper use of gasoline and other highly volatile liquids around charcoal grills.

Dr. Arthur I. Rubin, a research psychologist, and Arthur Cohen, a systems analyst, stress that a total systems approach instead of the piecemeal approach so often used heretofore is required to improve fire protection in such structures.

Roles people play

Adequate fire protection planning, they contend, must consider both the occupants and the design of the building.

"Occupants can actively be a part of the fire warning and fighting system instead of being unwilling victims," they explain.

Rubin and Cohen say that the time it takes to evacuate high-rise buildings makes it imperative "that fire safety approaches other than evacuation be considered.

"One such method," they point out, "is the design of 'safe areas' in a building and adequate access routes to these areas. One concept proposed is that a high-rise building is best thought of as a self-sustaining community. To some extent, therefore, those responsible for designing and managing a building constitute an important component in a fire safety 'system'."

Two methods for fire limitation have been considered:

● Control over the potential fuel for fire.

"Building codes and construction contracts," they add, "deal with the building design aspects of the problem, but the behavior of the occupants is not considered. There is little or no control exercised over the characteristics of the furnishings which are brought into the building by the occupants and this often constitutes a major hazard."

● Compartmentizing the fire by the structural elements of the building.

"The individuals who are in the zone of the building affected by fire must have ready and multiple access to safety consistent with the degree of isolation of the fire. Similarly, 'safe areas' in the building must be both accessible and safe.

"The independence of sub-sections of the building from a structural standpoint implies that each of the sub-sections may also constitute separate social communities. During the fire emergency there will be a need for communications systems that, from a central location, can contact each of the many communities.

"Management researchers and many others have expressed the view that communications are not effective if they are only one-way. Therefore, it will also be necessary for occupants to have the capability to contact management, fire fighters, and occupants occupying other locations. Similarly, these other groups would need to contact one another.

"One of the primary justifications for a comprehensive verbal communications system is to avert panic. It is anticipated that if 'fire victims' can maintain close and continuing two-way contact with fire safety experts, calm and rational behavior will be maximized and panic behavior avoided.

"Verbal warnings can also be pre-recorded, especially if a zoned warning system is adopted. This would entail messages such as: 'Fire has been reported on the fourteenth floor of the building. Please go to the twelfth floor without delay and await further instructions'."

A typical example of a fire problem in a high-rise building, say Rubin and Cohen, was a fire in a New Orleans high-rise in 1972 that brought the elevators to where the fire was because of a heat sensing "calling" device. According to the report of this fire, the elevator doors were kept open by the smoke which triggered the electric eye door opener. Thus the victims were taken to the fire and trapped because of design features in the elevators.

The report points to the body of evidence indicating that smoke is more of a threat to health and safety than fire, "but few building codes deal with problems of smoke development and propagation."

A report prepared by Allan K. Vickers, a mathematician and project leader in the Bureau of Standards Fire Technology Division, recommends redesign of kitchen ranges because of the major role they play in clothing fires.

Vickers says that kitchen ranges accounted for 214 clothing fires out of 1,616 reported to the Flammable Fabrics Accident Case and Testing System up to May 1972. The system was set up pursuant to the Flammable Fabrics Act administered by the Consumer Product Safety Commission.

There were 34 deaths reported as the result of clothing catching fire from kitchen ranges. Twenty-four of the victims were 65 or older.

"Reaching over and leaning against the range caused the majority of the garment ignitions," the repart explains.

"Loose, blousy garments, ties, shirttails and apron strings contacted exposed portions of hot burners," Vickers says. "The victims often did not realize their plight until large areas of their garments were in flames."

Young children, he says, became victims of range fires when they accidentally turned on a burner while climbing on or around the range.

Modify kitchen ranges

Vickers suggests that "certain modifications to the ranges could reduce the ignition hazard considerably." He offers these recommendations: rearrange the burner locations to eliminate the need to reach over them; eliminate exposed outer portions of the burners; reposition the range knobs to make them more "child-proof," and design burners that could be tucked away when not in use.

Particularly appropriate during the warm season is the suggestion made for reducing burns from charcoal grills. The Bureau of Standards report on this subject says that 90 percent of all accidents involving charcoal grills are due to the improper use of gasoline or other highly volatile liquids.

Dr. John W. Lyons, Director of the Bureau of Standards Programmatic Center for Fire Research, reports that more than 1,300 burn injuries and several deaths occur each summer from pouring volatile liquids, such as gasoline, over charcoal.

The Bureau of Standards recommends that outdoor chefs follow four simple precautions:

► Use regular charcoal lighter, not gasoline, to light a fire, and apply the liquid **before** lighting.

► Be extra wary of a fire that has "gone out." Frequently charcoal that doesn't appear to be lit is still hot enough to ignite the vapors of the liquids poured on them. This includes even charcoal grill lighter.

► If a fire should occur and clothing be ignited, drop to the ground as quickly as possible and roll over to extinguish the flames. **Never run,** for that increases the supply of oxygen feeding the flames.

► No matter how careful you are, keep a hooked up garden hose handy to use just in case an accident happens.

Industry Highlights

Consumer Electronics Firms Dropping Unprofitable Lines

(Industry Highlights is prepared by the Office of Business Research and Analysis, Bureau of Domestic Commerce.)

Increasing import penetration and declining profit margins have caused several U.S. consumer electronics firms to consider dropping unprofitable product lines. High capital costs have been an important contributing factor in this decision, especially among the larger multi-product electronic firms with other more profitable product areas.

RCA, the largest and one of the oldest U.S. consumer electronics manufacturing firms, has announced that it will phase out its entire line of home audio products by 1975. The company will concentrate on more profitable TV home electronic equipment. Products being dropped include radios, audio tape players and recorders, phonographs and stereo systems. During recent years, sales of these products have declined to only five percent of the company's consumer electronics business and have not been profitable. Approximately 600 RCA employees will be affected by this decision.

Motorola, the fourth largest U.S. consumer electronics manufacturer, has sold its entire television and consumer electronics product line to Matsushita Electric Company. This Japanese electronic firm has established a new company, Quasar Electronics, to operate the former Motorola plants and sales organization. The Motorola TV Division sustained a sales loss of more than $240 million last year.

Matsushita has announced that Motorola personnel, including sales staff, will be retained at present levels. It intends to modernize the production facilities and hopes to restore profitability within three years. The new subsidiary also plans to manufacture stereo systems and market them under Motorola's overseas brand. Matsushita says it will continue to market its Panasonic brand products through its established U.S. distributors and retain its Puerto Rican and Canadian production facilities.

This acquisition, which was opposed by Zenith Radio and Magnavox, will give Matsushita more than ten percent of the U.S. TV market and may strengthen its U.S. market position in other consumer electronic product lines where it is already more deeply involved. These developments come at a time when Japanese consumer electronics exports to the United States, including television sets, have declined sharply due to increased production costs in Japan.

The Ford Motor Company has also attempted to dispose of its Philco-Ford TV and radio operations under its "shuck the loser" program. Philco has announced that it is discontinuing its consumer radio and audio line of products.

Imports of consumer electronics products have increased sharply during recent years, from 14 percent of apparent U.S. consumption in 1967 to 40 percent in 1973. Although imports declined about seven percent during the first quarter of 1974, this market trend provides little encouragement to U.S. manufacturers, since their production of consumer electronic products this year is running an even larger ten percent below 1973 levels. Inventories of color TV sets, the industry's most profitable product, are 30 percent above 1973 levels for this time of year.

Another factor is the shift of U.S. imports from Japan to Taiwan, Korea and other far eastern countries. Wages in these countries are only a fraction of Japanese levels, and have been comparatively stable while Japanese rates continue to rise.

Japan supplied 75 percent of U.S. consumer electronic imports in 1967, while 6 percent came from other Far Eastern nations and 19 percent from the rest of the world. By 1973, Japan's share had slipped to 61 percent, the rest of the world was down to 13 percent, and the other Far Eastern countries zoomed up to 26 percent. Figures for the first quarter of 1974 indicate that this trend is becoming even stronger, and should continue to exert downward pressure on U.S. prices and profits.

Japanese consumer electronics firms are moving their labor intensive activities offshore, as U.S. manufacturers did earlier, to counteract rising labor and other costs at home, including the effects of currency changes.

Prices of consumer electronic imports have risen from 5 to 60 percent between the first quarters of 1973 and 1974. Most of the larger increases have been concentrated in areas where the United States does not have competitive products. The Bureau of Labor Statistics' wholesale price index of consumer electronic products, however, reflects the continuing downward pressure on overall U.S. prices exerted by imports: 1973 prices for electronic consumer items were at less than 92 percent of their 1967 levels.

Most of the larger consumer electronics manufacturers are large multi-product firms which also produce and procure consumer electronic products off-shore. Nevertheless, corporate financial reports appear to confirm the public announcements of unprofitable operations outlined earlier.

Fertilizer supply still tight

After the October 1973 decontrol by the Cost of Living Council, fertilizer producer prices increased rapidly. However the price increases were substantially halted on January 10 when the COLC obtained agreements from all large producers to hold prices voluntarily at their January 1 levels until June 30. The Internal Revenue Service, which surveys producers every two weeks, reports that generally prices have been stable or have increased only slightly since January 1. According to the Department of Agriculture, retail prices paid by farmers increased faster than producers' prices did. Between October 1973 and May 10, price increases for various types of fertilizers ranged from 35 percent to 113 percent.

Exports of fertilizer materials during the first ten months of the 1974 crop year indicate that producers are complying with their October commitments to the COLC to limit exports in return for decontrol of prices. Through ten months (July 1973-April 1974) exports of major nitrogeneous products indicate a total of 1,046,000 content tons of nitrogen compared to 1,123,000 tons in the comparable period of the year before.

Imports of major nitrogeneous fertilizers are slightly ahead of the corresponding ten-month period of last year (714,000 tons compared with 712,000 tons on a content basis). Reduced exports of nitrogeneous materials coupled with the slight increase in imports indicate more domestic availability for the domestic market. Domestic production of ammonia, from which almost all nitrogeneous fertilizers are made, is also up 4.3 percent over the past ten months. However, in spite of this increase in apparent consumption, the U.S. supply of fertilizer is critically short at least for this crop year.

Refinery water needs cut

Achieving energy self-sufficiency through Project Independence will require the construction of additional crude oil refineries. A Bureau of Domestic Commerce study of water requirements for petroleum refining prepared for the Federal Energy Administration concludes that existing technology, along with water use management options which reduce water demands, would permit enlarged refinery capacity in all but the most water-short areas of this country. Average recycling rates for water by refineries, currently about 6.5 to 1, can be increased to more than 25 to 1, thus allowing an approximate increase of 400 percent in refining capacity without increasing water withdrawal demands.

Consumption of water in refining, cur-

rently about 40 gallons per barrel of crude oil, may preclude construction of conventional water-dependent refineries in arid zones. However, based on the most advanced technology, which allows the substitution of air and other coolants for water, construction of refineries is no longer limited by the availability of large amounts of water.

Chemical explosion affects U.S.

The recent explosion of a caprolactam plant in England will reduce availability of this chemical, used largely in the manufacture of nylon 6, and put additional pressures on world supply and prices. The English plant, which accounted for about 3 percent of world capacity and about one-sixth of Dutch State Mines world capacity was completely destroyed and will require two years or more for replacement.

Caprolactam is already in short supply, with demand (recent growth rate of about 9 percent per year) exceeding availability by over 5 percent. The United States has been importing caprolactam to relieve domestic shortages and this reduction in world capacity will make imports more difficult to obtain. U.S. exports of nylon 6 fibers and caprolactam may increase to replace some of lost European production capacity.

Private Surveyors Get Positioning Aid On Offshore Units

Commerce's National Oceanic and Atmospheric Administration has offered its assistance in extending the land-based national network of measurements to offshore oil platforms. The offer extends also to other offshore structures for which precise positioning is needed.

There are almost 3000 oil platforms off the coasts of Louisiana, Texas, California, and Alaska. In the gulf, some extend as far as 150 miles from shore.

NOAA's National Geodetic Survey, which maintains the national networks of distances and elevations on which all basic surveys depend, is prepared to process data obtained by the new method of doppler geodesy satellite surveying.

The Geodetic Survey will process the data with post-orbital data from the Navy Navigation Satellite System and determine geodetic positions for the platforms. The measurements would then be placed in the national geodetic data bank maintained by the Survey, where it would be available to all users upon request.

While the positioning of offshore platforms can be done by conventional methods of triangulation and trilateration, the work can be done more accurately, more rapidly and more economically by using the doppler system (see *Commerce Today*, May 13, p. 17).

Shipping Hazardous Substances? Study Finds Barges Cheaper, Safer

"If it's dangerous, ship it by barge," is one of the findings of a recently released economic and safety study of the transportation of hazardous substances in bulk.

The analysis was prepared for the Maritime Administration by A. D. Little, Inc. of Cambridge, Mass. It assesses the impact of the Federal Water Pollution Control Act Amendments of 1972 (P.L. 92-500) on U.S. domestic waterborne commerce.

Public Law 92-500 and several safety-related legislative acts provide potentially severe penalties for the discharge into waterways of a nonremovable hazardous substance. Under the amendments, any person responsible for discharging hazardous polluting substances into navigable waters will be subject to civil penalties that could be as large as $5 million for vessel discharge and $500,000 for an onshore or offshore facility discharge.

The Environmental Protection Agency (EPA) is responsible for defining hazardous polluting substances. Although EPA has not yet developed an official list of hazardous substances, the A. D. Little study is based on a tentative list of ten commodities: acrylonitrile, anhydrous ammonia, benzene, caustic soda, chlorine, ethylene glycol, methanol, styrene, sulphuric acid (liquid bulk commodities) and dry bulk refined sugar.

In releasing the study, Asst. Secretary of Commerce for Maritime Affairs Robert J. Blackwell said, "With only one exception, the bulk transportation of these commodities by barge was found the least expensive mode. Pipeline was slightly cheaper for a shipment of anhydrous ammonia but it was found to be far more hazardous."

Blackwell noted that in almost every case the total per-ton cost for barge transportation was less than three-quarters that of the next mode and for some the fraction is as low as one-fifth to one-third.

Less dangerous

Barge transportation was also generally found to be safer than the overland modes. Movement by barge usually involves less urban exposure than does truck or rail, and the recurrence level between spill-causing accidents was longest for barge by a wide margin. In addition, domestic water transportation is apparently better inspected for safety than either truck or rail.

The report concludes that the marine insurance industry may not be able to insure their barge clients against the possible heavy civil penalties. If unable to obtain insurance, many barge companies have indicated that they would discontinue transporting the hazardous substances since a rare but sizable accidental spill could bankrupt the operator.

"As a result, chemical manufacturers would, of necessity, transfer transportation of the commodities from waterways to an overland mode and pass the increased transportation costs to the consumer. The transfer of traffic could also expose the general public to potentially greater safety risks," Blackwell said.

Therefore, the study concludes that preventive measures, such as government imposition of technical standards, are more effective than high penalties in improving water quality and eliminating accidents and accidental discharges into the waterways.

"A Modal Economic and Safety Analysis of the Transportation of Hazardous Substances in Bulk," is available from the National Technical Information Service, 5285 Port Royal Road, Springfield, Va. 22151.

Minority Banks To Get Management Training

Minority-owned banks will receive management training from the National Bankers Association (NBA) under a $125,000 one-year renewal contract with the Department of Commerce's Office of Minority Business Enterprise (OMBE). Since OMBE launched its minority bank assistance program in cooperation with the banking industry in 1970, deposits in minority-owned banks have more than doubled, from $400 million to over $1 billion. In addition, the number of banks in which minority citizens own more than 50 percent of the stock has risen from 31 in 1970 to 54 in 1974.

The OMBE/private industry program implements the commitment of the banking industry to invest $1 billion in loans to minorities over a five-year period. In addition to the 54 minority-owned banks currently operating, there are more than 25 in various stages of organizational development, according to Samuel J. Cornelius, OMBE Deputy Director.

The NBA contract marks the latest in a series of training programs funded by OMBE to "strengthen the financial capacity of minority-owned financial institutions," Cornelius points out. A previous NBA/OMBE contract funded the first professional training program for minority bank directors.

Some 220 people from OMBE's national network of business development organizations recently completed a training program supported by OMBE in cooperation with the American Bankers Association (ABA). Additionally, a center for commercial banking education has been established through an ABA grant to Howard University in Washington, D.C., to bring minority professionals into the banking industry.

In Reversal, U.S. Audio-Video Imports For Home Use Dip 7.4%

U.S. imports of home entertainment products declined substantially in the first three months of 1974.

Information prepared by Commerce's Domestic and International Business Administration shows that, in the first 1974 quarter, the value of U.S. imports of home entertainment audio and video products totaled $371 million, a 7.4 percent drop from the $401 million recorded in the January-March period of 1973. *(For a further comment on the significance of this decline, see 'Industry Highlights' on p. 16).*

Shipments from Japan, the leading foreign supplier, declined an unprecedented 26 percent, down $66 million to a $190 million total.

To a large extent, the decline in imports from Japan was offset by sharp gains in shipments from Taiwan and Korea. First quarter imports from Taiwan were valued at $87 million, up more than 44 percent. Imports from Korea were up 193 percent to $19 million, the highest gain of any foreign supplier. This was due almost entirely to rapidly expanding Korean-Japanese joint venture operations.

Meanwhile, a sampling of products from different foreign countries indicates that first quarter unit import prices ran well above last year's levels. For example, unit import prices of various products in the first quarter of 1974 as compared with the first quarter of 1973 were as follows: auto radios, Hong Kong; 1974, $13.72; 1973, $8.40; auto tape players, Taiwan; 1974, $17.22; 1973, $14.55; color TVs, ten inches and under, Japan; 1974, $170.33; 1973, $160.16; monochrome TVs, ten inches and under, Korea; 1974, $52.25; 1973, $50.75.

Imports of color TVs, the product in which U.S. industry is most competitive, totaled 250,000 units in the first quarter of 1974, a drop of nearly 14 percent. Other declines in imports by unit were: radio-phono combinations, 55.3 percent; home type radios, 21.9 percent; tape recorders-players and phonographs-record players-turntables, 19.6 percent.

In the first 1974 quarter, there were minimal import gains in auto radios and monochrome TVs.

The decline in imports of home entertainment products in the first quarter tends to confirm comments made in a report prepared by William S. Gladkowski of Commerce's Industrial Products Division, which was published in *Commerce Today*, March 18. The report said that foreign shipments of home entertainment audio and video products into the domestic U.S. market grew at a considerably slower rate in 1973 and could decline in 1974.

"Due to slackening U.S. demand, as well as production adjustments in Japan," the report explained, "the slowdown in imports is expected to continue during 1974, possibly resulting in a net decrease for the year . . .

"Japan's share of the import market has been declining partly because of the change in international monetary relationships; the opening of color TV assembly operations by Sony in San Diego and Matsushita (Panasonic) in Puerto Rico; and increased shipments to the U.S. from producers in other Asian countries.

"The industry in Japan is faced with continuing wage and material price increases, costly pollution control directives, difficulties in locating new plant sites, quantitative voluntary export controls on color and monochrome TVs, and a check price system on shipments of tape recorders to various European nations. Consequently, in 1974 Japan will continue to concentrate on production of market tested, premium type, high profit items, while the high volume, low and medium-priced product lines will be transferred at an accelerated rate to subsidiary operations in Taiwan, Korea, and Singapore."

First Indian-Run College Gets Aide For Business Program

An Arizona Yaqui Indian has been named Indian Business Coordinator at the Navajo Community College in Tsaile, Ariz. The appointment of C. Lawrence Huerta, a business education specialist with the U.S. Department of Commerce's Office of Minority Business Enterprise (OMBE), was effected under the Intergovernmental Personnel Act of 1970, as part of OMBE's special Indian business development program.

This marks the first time that a federal agency has been able to reach Indians under the Intergovernmental Personnel program, which allows the temporary assignment of federal personnel to other government agencies or to colleges and universities.

The Navajo Community College is the first institution of higher learning in the country to be established on an Indian reservation and owned and controlled by the Indians themselves. It serves the nation's largest Indian reservation, encompassing approximately 24,000 square miles in parts of Arizona, New Mexico and Utah.

Huerta will head the College's Office of Indian Business Enterprise. He will aid in the establishment of the College's Business Administration Department and seek information on appropriate federal and private aid programs.

He will also maintain a central clearinghouse for information and studies on Indian business enterprise which will provide government planners a reference source in designing Indian economic development programs.

Huerta, 50, is an Arizona native and a graduate of the University of Arizona College of Law. He is a member of the Bars of the U.S. Supreme Court, the States of Arizona and New Mexico, and the District of Columbia. From 1962 to 1967, he was a commissioner of the Arizona Industrial Commission and later served as judge of the Superior Court of Maricopa County.

Huerta lived and worked on the Navajo Reservation for nearly 20 years, during which much of his time was devoted to codifying Navajo law. He is credited with establishing the Navajo Judicial Branch, the first all-Indian administered judicial system.

States Offered Expert Advice On Geodetic Surveys

The individual states will be getting expert advice on improving the accuracy of their geodetic surveys, especially in burgeoning population centers where land costs are constantly rising.

Commerce's National Oceanic and Atmospheric Administration will assign geodetic advisers to states which request them. They would be assigned by NOAA's National Geodetic Survey, which maintains data on distances and elevations that provide the basis for all land measurements in the United States. Funded equally by the federal and state governments, the advisors will reside in the states and will train state personnel in survey techniques and assure the accuracy of state surveys before their submission to the National Geodetic Survey.

Geodetic surveys are precise surveys which provide the basis for all forms of mapping; for the development of natural resources and large engineering projects, including the alignment of highways and buried water and sewage lines and electrical conduits; and for the construction of bridges, dams, tunnels, and nuclear plants. Monitoring the earth's movement at nuclear plant sites by geodetic surveys is essential to the selection of stable land sites.

Geodetic surveys also provide the basis for determining land boundaries and establishing accurate tax apportionment. The measurements take into consideration the curvature of the earth and are so accurate that they err by less than one-half inch in ten miles.

In lieu of full-time resident advisors, cooperative agreements may be entered into for advisors on an "as needed" basis. This program provides the same services, but only at such specific times as requested by the states.

Extra 119,000 Tons Of Ferrous Scrap Allocated For 'Foreign Policy' Export

Secretary of Commerce Frederick B. Dent has announced that 119,400 additional short tons of ferrous scrap have been allocated for export to selected countries from the second quarter 1974 contingency reserve. The new allocations were assigned, following consultations with the Department of State and the National Security Council, to fill special needs of U.S. foreign policy.

The countries eligible for these additional amounts and the quantities available to each, in short tons, are:

Country	Contingency allocation	Type A limitation
Angola	*10,000*	*10,000*
Bangladesh	*6,000*	*6,000*
Brazil	*10,000*	*10,000*
Colombia	*10,000*	*8,900*
Dominican Rep.	*5,000*	*400*
Egypt	*15,000*	*5,000*
Israel	*15,000*	*5,000*
Mexico	*15,000*	*10,000*
New Zealand	*10,000*	*1,200*
Pakistan	*6,000*	*3,800*
Peru	*10,000*	*none permitted*
Thailand	*7,400*	*5,400*

The Type A Limitation indicates the quantity of ferrous scrap, out of the total contingency allocation for a particular country, that may be licensed from the Type "A" scrap grades, which include No. 1 and No. 2 heavy melting scrap, No. 1 bundles, and iron scrap.

Secretary Dent noted that the new procedure opens a share of the market to all exporters, including newcomers, thus permitting growth and expansion that more nearly approximates free market conditions.

Any exporter obtaining an order dated June 11 or later, for export of ferrous scrap to a country which has received an additional allocation, may submit an application for an export license whether or not he has a past history of exporting scrap to the country involved. The application must be clearly marked "Contingency Allocation" and accompanied by a copy of the export order.

No exporter will receive export licenses for any country under these rules in excess of 5,000 short tons, or half of the country's contingency allocation, whichever is less.

Applications received by the Office of Export Administration, U.S. Department of Commerce, Washington, D.C. 20230, after 5 p.m. Friday, June 28, will not be considered.

Commerce will seek the guidance and advice of the countries involved as to which applications should be licensed for each particular country, and the amount of Type "A" grade ferrous scrap which should be alloted to each particular exporter within the Type "A" limitation for each country.

Third quarter unchanged

In a further development, Secretary Dent has proposed to set export quotas on ferrous scrap shipments at 2.1 million short tons for the third quarter of 1974.

The 2.1 million ton quota limitation would be the same as that set for the first and second quarters of this year. The bulk of the quota would be allocated to countries and exporters in proportion to exports in the base period July 1, 1970—June 30, 1973. Provision would be made for a contingency reserve to cover particular country and company exceptions, as well as sales of ships by the Maritime Administration for scrapping abroad.

COCA-COLA SAVES—*Charles W. Adams (left), vice president, The Coca-Cola Co., accepts SavEnergy Citation from Daniel M. Paul, deputy director, Commerce's District Office in Atlanta.*

Nation's Debt Passed $2.5 Trillion In '73; Federal Share Decreased

Contrary to popular assumption, the Federal Government does not account for the largest portion of the nation's debt . . . and its share of the national total is decreasing. Actually, all of the nation's governments put together—federal, state and local—account for less than a quarter of the total recorded debt in the United States.

Net public and private debt in this country passed the $2.5 trillion dollar mark last year, ending up at $2,525.8 billion, according to Commerce's Bureau of Economic Analysis. The share of the Federal Government and its financial agencies, $408.9 billion, accounted for 16.2 percent of the total. State and local governments, with debts aggregating $184.5 billion, made up another 7.3 percent.

The federal share of the total debt actually declined between 1968 and 1973, from 19.8 percent to 16.2 percent.

Net public and private debt increased $256 billion last year, or 11.3 percent, compared with $224 billion or 11 percent in 1972. Corporate debt increased 13.6 percent, individual debt grew 11.6 percent, and public debt was up by 6.4 percent.

Business debt outstanding at the end of last year amounted to $1,377.3 billion; financial and nonfinancial corporations owed $1,111.1 billion and farm and nonfarm unincorporated enterprises owed $266 billion. The Federal Government's debt was $349 billion, and Federal financial agencies such as the Federal National Mortgage Association owed $60 billion. State and local indebtedness amounted to $184.5 billion. Individuals owed $555.1 billion — $374.6 billion in residential mortgage debt (15 percent of the national total), and $180.5 billion (7 percent) in consumer credit.

Business debt, at 55 percent of the 1973 total and growing, is far and away the largest segment of the nation's outstanding debt. Business debt accounted for only 50 percent of the national total five years earlier. Corporations, which account for four-fifths of business indebtedness, added $133 billion to their debt, compared to a $109 billion gain in 1972. The increase was largely in short-term instruments: liabilities due in less than one year increased $90 billion last year, compared with $60 billion the year before. The increase in long-term debt was $43 billion, compared with a $49 billion gain in 1972.

The liabilities associated with nonfarm business—multi-family residential and commercial mortgages, commercial and "financial" debt— rose $20 billion in 1973, as compared with $28 billion in 1972. Debts secured by mortgages on one-to-four family residential properties rose about $35 billion in both years. The increase in farm debt was $9.5 billion, compared with $5 billion. Consumer debt increased $23 billion, compared with $19 billion a year earlier.

The outstanding liabilities of federal financial agencies rose $18.4 billion, compared with only $1.5 billion in 1972. Debt formation by the Federal Government amounted to $7.9 billion, compared with $15.3 billion. State and local governments added $9.5 billion to their debt in 1973, compared with $12.6 billion in 1972.

Individuals added $57.7 billion to their indebtedness in 1973, compared with $53.8 billion in 1972.

Satellite Helps Improve Maritime Communications

As part of its continuing research and development program to improve the productivity of the American Merchant Marine, the Maritime Administration will test advanced communications and navigation systems on commercial vessels through America's newest satellite.

Under an agreement with NASA, MarAd will use the "Applications Technology Satellite-F" launched May 30, (ATS-F) to test and evaluate the efficiency and dependability of communications between commercial vessels at sea and their headquarters.

Under MarAd's program, two merchant vessels will be equipped with relay terminals, and the Maritime Coordination Center (MCC) at the National Maritime Research Center at Kings Point, N.Y., will develop operating procedures and management techniques for use of a special radio band (two-way L-Band) for maritime communications.

The ships to be used are the Prudential Grace Lines' *Lash Atlantico* and the United States Lines' container vessel *American Ace*. The two ships will be operating in the North Atlantic between the United States and Europe.

MarAd's satellite program, called Maritime Satellite Communications/Navigation (MARSCAN), was begun in 1970. During the initial phase of the five-year program, an earlier NASA satellite, the ATS-5, was used successfully to relay communications from the NASA Mojave facility to a shipboard terminal aboard the tanker *Esso Baltimore*. These experiments led to the design and development of shipboard hardware for the transmission of voyage reports, engineroom data, spare part provisioning, simulated emergencies, weather information and other traffic management functions.

Through the ATS-F, MarAd will test automated systems and hardware, ashore and afloat, which are designed to improve data flow between ship management and U.S. cargo vessels. In addition, the tests will evaluate operational techniques and technical performance of selected equipment used by merchant vessels during normal and emergency/distress operations, together with the satellite antenna and other hardware at the MCC.

MarAd will share satellite time with various other federal and state agencies after the craft is in orbit. Other agencies will use it for extensive educational, medical, and safety studies. Because of these applications, NASA has dubbed it "The People's Satellite."

Recent Technical Publications

These recent reports of government-sponsored research issued by the National Technical Information Service are of possible interest to U.S. businessmen. Prices listed are for paper copies; all are also available in microfiche for $1.45 each. Order from NTIS, P.O. Box 1553, Springfield, Va. 22151 (703-321-8543)

Cost effectiveness analysis (AD-771 705). Defense Documentation Center, Alexandria, Va. 354pp. $7.75. Contains annotated references on cost effectiveness relating to program evaluations, management techniques and problems, research and development, decision making; design tradeoffs, related cost analysis and methodology and systems value engineering.

Damage tolerant design handbook: a compilation of fracture and crack growth data for high strength alloys (AD-772 810). Battelle Inst., Columbus, Ohio. 621pp. $25. Includes data on aluminum alloys, alloy steels, stainless steels, titanium alloys, and nickel-base.

Dynamic response of materials to intense impulsive loading (AD-768-416). Air Force Materials Lab, Wright-Patterson AFB. 563pp. $10.50. Covers conservation equations, discontinuous stress waves, shock waves and equations of state, nonlinear constitutive equations, the method of characteristics, finite-difference methods, experimental technique and instrumentation, and applications.

Task analysis handbook (PB-226 682). Washington State Dept. of Personnel, Olympia. 76pp. $3.75. A handy guide for writing task statements; gives worker function activity verbs as they relate to data, people and things and scales for use in coding tasks for level of difficulty.

Individual home aerobic wastewater treatment systems (PB-226 478). 121pp. $4.25. Discusses use and unit functions; types of units available (1972); problems and how to improve the units.

Methods and costs of coal refuse disposal and reclamation (PB-226 725). 43pp. $2.70. Gives procedures, costs and results of 15 reclamation projects.

Domestic waterborne shipping analysis (COM-74 10410-set). 2,684pp. $59. A set of 11 reports assessing present and probable markets for domestic marine transportation on inland waterways, domestic ocean shipping, and the Great Lakes. Can also be ordered by individual titles, which include:

Executive summary (COM-74 10411). 39pp. $3.25.

Inland Waterways trade area report (COM-74 10412). 325pp. $7.25.

Domestic ocean trade area report (COM-74 10413). 442pp. $9.

Great Lakes trade area report (COM-74 10414). 283pp. $6.75.

Financial analysis of inland waterways carriers (COM-74 10415). 79pp. $4.

Financial analysis of domestic ocean carriers (COM-74 10416). 140pp. $4.75.

App. A: Development of the forecasting data base (COM-74 10417). $5.

App. B: Forecasting methodology (COM-74 10418). 30pp. $3.25.

App. C: Modal split analysis (COM-74 10419). 148pp. $4.75.

App. F: Data base for marine marketing (COM-74 10420). 922pp. $19.

App. T: Financial data on inland waterways and domestic ocean carriers (COM-74 10421). 124pp. $4.50.

Calendar For Businessmen

June 26-28 — Washington — Seminar on Improving Management Skills: For New or Prospective Managers, Georgetown University. For information, Ms. Betsy Girton, School for Summer and Continuing Education, Georgetown University, Washington, D.C. 20007. (202-625-3001.)

July 1-3 — Washington — Seminar on Management By Objectives, Georgetown University. For information, Ms. Betsy Girton, School for Summer and Continuing Education, Georgetown University, Washington, D.C. 20007. (202-625-3001.)

July 1-3 — Washington — Seminar on Finance and Accounting for Non-Financial Executives, Georgetown University. For information, Ms. Betsy Girton, School for Summer and Continuing Education, Georgetown University, Washington, D.C. 20007. (202-625-3001.)

July 8-9 — Dallas — Consumer Products Safety Act: How To Protect Your Products From Liability seminar, Royal Coach Motor Inn. Sponsor: Southern Methodist University School of Business Administration.

July 9-10 — Houston — Consumer Products Safety Act: How To Protect Your Products From Liability seminar, Hyatt Regency House. Sponsor: Southern Methodist University School of Business Administration.

Try Harder In Saudi Arabia, Envoy Urges U.S. Firms, As $4 Billion Import Level Nears

"By the time the U.S. observes its 200th anniversary, Saudi Arabia, whose dynasty will also soon celebrate its second century, will achieve a $4 billion import level," U.S. Ambassador to Saudi Arabia James E. Akins advises.

"This means doubling imports in two years. With heavy emphasis on internal industrial and urban development in the next five-year plan, there will be very heavy demand for goods of all kinds. Saudi Arabia has become at least the second and perhaps the first and most rapidly growing import market between Europe and Japan. Some of our competitors are working harder than American businessmen, and the massive spending program of the Saudi Government is expected to attract the keenest competition from both Asian and European suppliers."

In a special assessment for this magazine, Ambassador Akins recommends that the United States make a greater effort to sell in Saudi Arabia, and offers some suggestions for U.S. firms in approaching this booming market.

Despite a large increase percentage-wise in the number of American businessmen visiting Saudi Arabia, and a significant increase in the number of trade missions pointed at Saudi buyers, we are not doing enough, either through government or private promotion efforts, to maintain our traditional 25-30 percent of the market.

Only in the field of investment proposals for industrialization have American firms shown the kind of enterprise and flexibility needed for success. With $10 billion worth of industrial investment programmed for the next eight years, the Saudi Arabian Central Planning Organization has clearly set a goal that can only be reached through joint ventures with the largest American multinationals. The incentives are great: any company with more than 25 percent participation is granted freedom from income taxation for five years; professionally planned industrial estate sites with full provision of water and electricity at reasonable rates; planning of industrial areas and townships by American or other Western firms; and possible interest-free loans of up to 25 percent for all but working capital requirements. Massive energy sources, including the largest quantities of flared gas in the world, are of course basic to any of the industrial proposals.

While there are between 50 and 60 U.S. firms already active in the market and several hundred others attempting to make proposals and enter, only a few have had the foresight to establish full-scale offices in the Kingdom. The key to marketing in Saudi Arabia is primarily contact and personal approaches. Sales opportunities are made, not necessarily found.

While the U.S. Embassy and its single Commercial Officer can give excellent advice, obviously in a country one-third the size of the United States, the Embassy staff can only scratch the surface of the trading opportunities, Ambassador Akins advises.

In addition to the industrialization of Saudi Arabia, the government is willing to listen to proposals for other Arab countries, Islamic countries outside the Arab area, and perhaps projects of economic importance to some other less-developed countries. Multinational companies should consider Saudi Arabia as a possible source of capital for undertakings in any of these countries where well researched projects can be conceived with favorable cost-benefit ratios.

While the United States has been able to maintain its 25-30 percent share of the market, it may well lose its premier position in 1975 to the more enterprising Japanese. Only if American firms are willing to investigate and research the needs of Saudi Arabia as diligently as competitor nations, and learn by actual negotiation how to do business successfully in Saudi Arabia, will

NEW STREET IN JIDDA — *This thoroughfare was carved through old coral block buildings during the past two years. Towering over the other structures is the 27-story apartment and office complex known as the Queen's Building, overlooking the Red Sea.*

we maintain our position here from a commercial standpoint.

The key areas where very large projects are being conceived, requiring enormous planning and construction efforts, include steel and steel-related industries; infrastructure of all kinds including ports and airports, roads, and housing; petrochemical plants and possible downstream industries; aluminum and other energy intensive industries; and services and training facilities of all kinds, both civilian and military. Social service facilities, from training schools to hospitals, hold a high priority. Management and operation of major facilities will also be an excellent software sales area for American firms in this market, which is dominated by American university graduates.

With the new U.S. agreement with Saudi Arabia designed to facilitate access by the Kingdom to major American technology by creation of joint economic and security commissions, and with the tremendous improvement in relations since October, American firms should consider this market as the major target for their efforts in the next few years.

The United States and Saudi Arabia are forming a Joint Commission on Economic Cooperation, which will hold its first formal meeting in Saudi Arabia in October. It will promote programs in the fields of industrialization, trade, manpower training, agriculture, and science and technology.

The U.S. members will be led by the Secretary of the Treasury and include officials from the Departments of State, Treasury and Commerce, the National Science Foundation and other agencies. The Saudi Arabian Minister of State for Finance and National Economy will lead that country's members, who will include representatives from the Ministries of Foreign Affairs, Finance and National Economy, Commerce and Industry and the Central Planning Organization.

At the October meeting the commission will review plans made in the meantime by joint working groups on industrialization, manpower and technical education, technology and scientific development, and agriculture. Some of these proposals will cover the use of flared gas in fertilizer production, solar energy and desalination, desert agriculture, and development of educational and technical institutions. Periodic visits to Saudi Arabia by U.S. scientists, engineers and research specialists will be fostered.

The two governments will also consider sponsoring an Economic Council of prominent private American and Saudi citizens, and a U.S.-Saudi Industrial Development Council that may include both governmental and private enterprise representatives.

Keys To Success In Kuwait Discussed By Ambassador

"Kuwait is likely to triple or even quadruple its national income this year depending upon the amount of oil it chooses to produce and the durability of presently high petroleum prices. This situation has come about as a result of decisions taken since 1971 by the Organization of Petroleum Exporting Countries which have raised the posted price of Kuwait's crude from $2.08 to $11.54 per barrel, and Kuwait's recent acquisition of 60 percent equity in the Kuwait Oil Co., the largest producing company within the country."

U.S. Ambassador to Kuwait William A. Stoltzfus, Jr., goes on to discuss what Kuwait will do with this new income and the implications this will have for American business.

The effect this development will have upon Kuwait's economy, the Ambassador continues, can only be compared with the years immediately following 1946 when full-scale exploitation of its petroleum and gas reserves began. While even the Kuwaitis would probably not wish for the return of those frenetic early years when the country was rudely transformed from a traditional pearling, fishing and trading community into a flourishing modern welfare state, it is not difficult to foresee the government and its citizens embarking on a program to use as much of this new revenue as can be productively employed in raising the already high living standards of the people, further developing the state's infrastructure, greatly strengthening and diversifying the country's economic base, and creating conditions which will ensure prosperity for future generations.

To this end, the government will spend relatively large sums on public services such as housing, education, recreation, public utilities, and health care. Simultaneously, in an attempt to maximize income from its fossil fuel resources and concurrently reduce its dependence on production and sale of petroleum, the government, in tandem with the private sector, can also be expected to develop a solid economic base to prepare for the day when oil production peaks and gradually tapers off.

Although it is still too early for definitive comment regarding all the major new projects that are to be undertaken, many projects are already well along. In 1975 Kuwait will start construction of a new university campus, complete with medical school, which will eventually accommodate 16,000 students and lessen the country's dependence on foreign universities for the higher education of its citizens. In the primary and secondary schools, the most modern and innovative teaching aids will be employed to ensure quality education for youth. Indeed, the Ministry of Education is already installing a closed circuit television system in all secondary schools.

New towns for both low and middle income groups will be constructed in a corridor stretching between Kuwait City and the industrial area of Shuaiba, 40 miles to the south. In this regard, a critical need for industrial housing technology exists to provide adequate low-income public housing for more than 18,000 families presently on the government's waiting list. New hospitals are being continually planned and built, and additional outlays can be expected for conventional and even nuclear power stations, desalination plants, roads and highways, improved communications and other public services.

In the industrial and commercial spheres, a massive liquefied petroleum gas project engineered by Bechtel is due for tender this fall, and a petrochemicals complex may well follow it, using the by-products of the LPG facility for feedstock. Undoubtedly Kuwait will build new export refineries and product plants in addition to its present 180,000 barrel-per-day national refinery and Kuwait Oil Company's small refinery.

New facilities required

New and enlarged port facilities will be required to berth tankers which will transport these products to worldwide markets. Already, Kuwait has on order in European and Japanese shipyards hundreds of millions of dollars in cryogenic and super tankers and is rapidly expanding its dry cargo fleet. Outside the petroleum sector, a small steel rolling mill awaits only final approval of the government for tendering, and other factories to produce tires, aluminum, glass, building materials, cable and wire, ferro-silicates, carbon black and a host of other products are distinct possibilities.

In short, major opportunities await those willing to investigate the area firsthand.

Ultimately, though, it must be acknowledged that Kuwait has a small, if rapidly growing, population of less than a million people—the majority of whom are not citizens. This means the economy cannot hope to absorb more than a fraction of these vast new funds. As a result, much of this money will be channeled into development projects abroad through the Kuwait Fund for Arab Economic Development, soon to be capitalized at $3.5 billion, and other regional financial institutions to which Kuwait generously subscribes. This makes Kuwait a good potential source for development and equity capital in less affluent Arab, African and Asian states. Moreover,

other large sums of money will be recycled back to the major petroleum consuming states to ensure a sound return on equity and to preserve the country's wealth for future generations.

How can the United States businessman best tap this lucrative market? He should apply the same effort and attention he would devote to studying any new domestic market before attempting to sell his products or services. Of course, in addition, he should understand the few special twists resulting from existing cultural differences.

It is by now a cliche, but no less true, that business in this part of the world is best conducted, at least initially, on a personal basis. The businessman who takes the trouble periodically to ensure that he or a responsible member of the company visits his local agent (local agents are a requisite for doing all business other than consulting work here) will likely find his representative reciprocating his interest through increasing sales and improving service.

Paradoxically, Kuwaiti businessmen and officials are extremely price conscious. While this attitude may dissipate somewhat with the growing influence of a younger post-oil generation and increasing sophistication in comparing unit costs of products offered, it still remains the single most important factor in many buying decisions. This need not hurt U.S. firms, as proved by many recent contract awards which have gone to our companies in the wake of the dollar's increased competitiveness. Other major determinants influencing buying decisions are availability and quality of after-sales service, willingness to support an agent or buyer by training his personnel to operate and maintain equipment when applicable, and adequate arrangements for transportation and continuous resupply.

More subtle keys to success in Kuwait as elsewhere, are intangible qualities such as persistence, initiative, and imagination. Kuwait, while having a well-trained cadre of managers and technicians, still does not have adequate human resources to plan and execute all the projects presently envisioned. This makes it incumbent on firms interested in participating in the engineering, construction, equipping, and managing of new industrial plants and other major projects to take a complete systems approach to these projects—especially those in which the private sector plays a dominant role.

Moreover, ideas for developing industries or commercial ventures believed suitable for the area should be presented unhesitatingly to local businessmen and government officials. Stoltzfus strongly recommends that proposals be put together in such a way as to encompass all phases of project management from design through operation. One can be assured that sound proposals will get an enthusiastic reception from Kuwaiti businessmen and entrepreneurs increasingly worried by international monetary uncertainties and searching for productive local outlets for their recently repatriated dinars.

"As should be evident," Stoltzfus concludes, "we are enthusiastic about the potential for increasing trade and commerce between the United States and Kuwait. We realize this area is unfamiliar territory to many U.S. businessmen and that few U.S. companies or banks presently maintain a permanent presence in Kuwait. For this reason we are willing to go to any reasonable lengths to ensure that your trip here is optimally productive and useful. Please do not hesitate to write us at P.O. Box 77, Kuwait, and upon visiting the country, to make our Embassy your first point of contact. We look forward to assisting you."

KUWAIT'S AL-JAHRA CIRCLE—*This oil-rich country will be investing much of its increasing petroleum income in major development projects both at home and abroad.*

Lebanon Is Lucrative Market For U.S. Business, Envoy Says

"Selling to the Lebanese market calls for all the marketing skills that have long been identified with American business. The local economy is determinedly competitive, free enterprise, laissez-faire; quality, price, packaging, delivery performance, servicing all play a part. Lebanese buyers may travel to the States; in any event, they are often familiar with American products and services. They only need to be convinced."

So writes U.S. Ambassador to Lebanon G. McMurtrie Godley as he reviews business opportunities for the readers of *Commerce Today*. His report follows:

Lebanon and its capital, Beirut, are an important gateway to the Near East. The country is strategically located between the countries of Europe and North America on the one hand and the Near Eastern states on the other. The Lebanese have, partly from choice and partly from necessity, devoted a major part of their efforts to facilitating and servicing the trade between the West and the Near East; Americans and other westerners find in Lebanon a spot first to taste the culture of the East (for many easterners, the reverse is true, also).

Lebanon does not, of course, dispose of oil wealth, and its market must be approached differently from those of the nearby oil states. It offers, nonetheless, wide opportunities for the sale of American goods and services. For a number of years, the U.S. has supplied more of Lebanon's imported products than any other country. In 1973, the Lebanese were the third largest importers among the Arabs of U.S. exports.

The label American has been synonomous with quality and durability, and American ideas of comfort and ease of use have appealed to the Lebanese. Now, American goods are more competitively priced, and our market share is rising.

Lebanon enjoys a relatively high standard of living (per capita annual income exceeds $1,000, and large family units mean that the family disposes of a sizable income), and opportunities abound in the field of consumer durables. A prominent example is motor vehicle imports, which jumped 34.4 percent in 1972 and 31.8 percent in 1973 on a unit basis (the U.S. share has gone from 9.36 percent in 1972 to 13.3 percent in 1973). All larger household durables should enjoy a rising market.

Industrial users are seeking chemicals,

REPRESENTING THE U.S. IN BEIRUT—*U.S. Ambassador to Lebanon G. McMurtrie Godley (left), author of this article, greets Salim Al-Hoss, President of Lebanon's Bank for Industrial and Touristic Development. In center is U.S. Counselor Robert O. Waring.*

farmers need fertilizers, and contractors are interested in building materials and supplies; all are ready to buy American if the items are available.

The capital goods market has traditionally absorbed substantial amounts of American equipment. Recent Embassy analyses have identified a) industrial, scientific, medical instrumentation; b) small commercial and industrial computers and equipment; c) business machinery and accessories; and d) communications equipment as four sectors that should be particularly attractive in terms of projected growth providing opportunities for increased sales in the near and medium term. Building and construction equipment, wood and metal working tools and machinery, and automotive diagnostic and repair equipment are additional markets that could go to American suppliers.

Particularly in the capital goods market, financing of sales may be a more important and determining factor in Lebanon than in the wealthier oil states, and would-be sellers will have to be responsive to this need.

Consulting services (engineering, financial, marketing, management) can be sold here, but one must be prepared for stiff competition from European and Lebanese consultants.

Lebanon has several major projects in various stages of implementation that may interest American suppliers of goods and services. Probably the largest in terms of the expenditures involved is the Litani River project, a water control-hydroelectric-irrigation project that is moving ahead after years of delay and that could well absorb over $100 million, ultimately, in the government's development budget.

Examples of other major projects are improvements that may amount to $100 million in the national road network; construction of new hospital facilities at a cost of about $40 million; building of a $160 million third oil refinery, in cooperation with Saudi Arabia; and, it seems likely, major work that could run into hundreds of millions of dollars all told on the facilities at the Port of Beirut. Several projects offer opportunities for consulting, engineering services; all could, at some stage, provide chances for sales of materials and equipment.

Important regional role

If the Lebanese have not yet discovered oil beneath their rocky soil (they have, instead, water, which has been of more economic benefit, probably, over a longer period of time), they play an indirect role in the rapid recent rise of much of the Near East to wealth on the top of the oil geyser. The eastern Arab states and those of the Arabian Peninsula have long sought western goods and services via Lebanese intermediaries. This practice should continue, in some degree at least. Some of 1972's 51.6 percent and 1973's 24.1 percent rise in U.S. exports to Lebanon can, undoubtedly, be traced to those non-Lebanese, Arab buyers.

More importantly, Beirut seems destined to garner, as the major local financial center for the Near East, a share of the new wealth attending the oil flow. The rapid increase in the size of the foreign banking community through the purchase of participations in local banks or the opening of representative offices here undoubtedly results from that expectation.

Ten U.S. banks now conduct banking operations in Beirut, either independently or through important participations in other banks. Seven additional U.S. banks have representative offices. Several new investment companies have opened, one American, and at least one other with American participation (another American investment bank, Kidder Peabody, has been here for awhile and has had notable success throughout the region).

A steady stream of bankers and financial consultants is visiting Beirut, often in the course of a trip that includes stops elsewhere in the region. All ascribe to and are drawn by the idea that some of the new Arab oil money is reaching Beirut. Reasons cited by the financial community for placing money in Beirut include, in addition to the technical skill of the Beirut financial market: the free movement of capital in the local market; the existence of a strong banking secrecy law; and a recent decision to establish a local free banking zone for non-resident deposits.

The fact that the Lebanese Government is moving swiftly toward creating this free banking zone for non-resident deposits indicates the prevailing belief that Beirut has the opportunity to play an important financial role in the Arab world, as an entrepot banking center, at the least, and must equip itself for the activity.

It is impossible to specify exactly how much of the money available locally derives from oil revenues. The last two years have also seen major repatriation of Lebanese capital, particularly from Africa, and local boom conditions have produced considerable wealth (and resulting inflation, incidentally). The estimated 22.8 percent increase in bank deposits in 1972 and the reportedly somewhat smaller increase in 1973 cannot, therefore, be attributed solely to oil wealth; nor can the feverish building activity that began in the latter part of 1971 and that still continues, though at a somewhat reduced rate since the last half of 1973. It is usually asserted, however, that much of the money involved in construction is coming from the Peninsula. The continuing relatively high rate of light industrial development is, likewise, sometimes (but certainly not always) traceable to investment by non-Lebanese Arabs.

The picture Ambassador Godley transmits, then, to American business is that Lebanon, in itself, but also as a conduit to and from the Near East, offers a lucrative market for American enterprises. The Lebanese market will challenge the competitiveness of contenders; one should be prepared to have a presence here, perhaps a continuing one, and expect very difficult dealing, at times. He would rate the prospects worth the effort; so worth the effort, in fact, that almost 400 American companies are already established here with their own offices, selling their goods and services to Lebanon and throughout the Near East. There is room for more, and any business that seriously wants to pursue the opportunities existing and emerging in this part of the world will be well advised to give Lebanon a hard look.

U.S. Winning Major Contracts Under Changed Iraqi Policy

In seeking opportunities in the Arab oil producing states U.S. businessmen should not overlook Iraq, advises Arthur L. Lowrie, Principal Officer of the U.S. Interests Section at the Belgian Embassy in Baghdad.

Not only does Iraq have vastly increased oil revenues (conservatively estimated at $5 billion for 1974), but it has extensive cultivable land and plenty of water for its population of 10 million. Oil production is now 2.1 million barrels/day and is expected to double by 1976. Some experts estimate that Iraq's probable reserves are second only to those of Saudi Arabia.

This year's investment budget totals almost $4 billion, about triple last year's. After 15 years of relative stagnation, all sectors have priority, but particular emphasis is being placed on agriculture ($646 million) and industry ($765 million). A wide variety of transport equipment, medical supplies and equipment, and consumer goods are also included in this year's import program.

American firms wishing to exhibit high technology equipment in the Baghdad International Fair Oct. 1-21 should promptly write or cable A.M.K. Al-Kaissi, Director General and Chairman of the Board of Directors, Iraq Fairs Administration, Al-Mansour, Damascus St., Baghdad, Iraq (cable address: ALMAARIDH). Initial expression of interest should list briefly items to be exhibited. Permission to exhibit is conditioned upon Ministry of Economy's finding that the products are needed to support Iraq's development program. For more information telephone T. Patrick Killough, Bureau of International Commerce, 202-967-2991.

Political differences between Iraq and the United States, which caused the rupture in diplomatic relations in 1967, are likely to remain, but the Iraqi leadership has made it clear in both word and deed that this will not prevent expanded commercial relations. A major change toward commercial dealings with the United States came in July 1973 when the Revolutionary Command Council (RCC) exempted broad categories of goods from the 1967 general prohibition on imports from the United States. Although this improvement was interrupted by the October war, in January of this year the ruling Baath Party held its Eighth Conference at which it made clear that Iraq would deal on a competitive basis with all countries in the interests of rapid economic development. RCC Vice Chairman Saddam Hussein said publicly in April that Iraq has no complex or sensitivity about dealing with American companies provided it is "on a basis that preserves Iraq's sovereignty and guarantees its legitimate rights."

This new Iraqi policy has already resulted in U.S. firms winning major contracts. In July 1973, the Boeing Corp. signed a $60 million plus contract for the reequipment of Iraqi Airways with three Boeing 707s and two 737s. More than 70 Iraqi Airways personnel are now receiving training in the United States and the first aircraft will be delivered in August. In September 1973, Brown and Root of Houston signed a $120 million contract for Iraq's highest priority project, construction of the offshore portion of a deep sea oil terminal with a capacity of 80 million tons per year. A U.S. pipeline firm, Neill-Price International, is participating in the onshore portion of this project. In February, Meul Brothers of Millville, N.J., won an $8 million contract for equipping a glass bottle making factory in Ramadi. Numerous other U.S. firms are entering the market with airconditioning and refrigeration equipment, computers, scientific and medical instruments and transport equipment. U.S. exports to Iraq should therefore take another substantial jump in 1974, after a 140 percent increase in 1973 (to $56 million) over 1972.

The Iraqi Government has taken several recent actions which demonstrate its seriousness and determination to push rapid development. It is publicly committed to sign contracts during 1974 that will consign the entire $4 billion investment budget. On Dec. 31, the RCC issued a decree giving near absolute powers to a high-powered intergovernmental committee to take over any project to insure its rapid completion. This Follow-up Committee, headed by RCC Vice Chairman Saddam Hussein, has authority to exempt any project from virtually all governmental regulations including customs duties, work permits, and salary scales. In addition, a high level official has assured U.S. businessmen that the Follow-up Committee stands ready to remove any obstacle which gets in the way of rapid implementation, whether it be a major bottleneck caused by government regulations or an emergency visa for an essential technician. Experience of the firms which are working under the aegis of the Follow-up Committee has been good thus far. Another measure, taken to encourage more competitive bidding for major projects, is the newly initiated policy of reimbursing unsuccessful bidders for their expenses.

Iraq's economy is organized on socialist lines and more than 90 percent of imports are controlled by the eight state trading organizations and, in exceptional cases, by government ministries. Iraqi law prohibits state organizations from dealing with agents and U.S. businessmen are advised to make a visit to Baghdad to present their product line and proposals personally to the state organizations and potential end-users. In order to lay the groundwork for such a visit brochures and catalogs of the product line should be forwarded to the appropriate state organization prior to the visit. If preferred, such materials can be forwarded to the U.S. Interests Section of the Belgian Embassy in Baghdad (P.O. Box 2447 Alwiyah) for forwarding to the concerned state organization. The U.S. Interests Section is also ready to assist in arranging appointments.

While there are differences among the state organizations and ministries, Iraq's priorities in dealing with foreign suppliers are generally as follows (in order of importance): delivery time or completion date; quality; maintenance of equipment; training of Iraqi personnel; lump sum, turnkey contracts; financing and other contractual conditions; and nationality of firm. Speed is clearly the highest priority and bid deadlines are short. However, a strong show of interest is usually sufficient to obtain an extension.

U.S. businessmen face tough competition in Iraq. Major competitors are Great Britain, France, the USSR and increasingly Japan and West Germany. Japan, France, and all the Eastern European countries have general framework agreements which provide a governmental umbrella for commercial relations. On the positive side, the reputation of American products is very high and if U.S. businessmen are willing to investigate the market firsthand they will find that in most areas they can compete on an equal basis.

RASHEED STREET, BAGHDAD — *The Central Bank of Iraq and Rafidain Bank buildings can be seen in the above photo.*

Oman Using Oil Income To Modernize, Develop Its Economy, Official Says

"Recent substantial increases in petroleum revenues and the leadership of a young ruler dedicated to modernization and development have combined to make the Sultanate of Oman an attractive prospect both for investment and a wide variety of goods and services."

C.J. Quinlan, Charge d'Affaires at the U.S. Embassy in Muscat, elaborates on this optimistic view, adding the following details to his special *Commerce Today* report.

Petroleum accounts for virtually all of Oman's export earnings and more than 90 percent of government revenues. Oman's production should exceed 100 million barrels in 1974, and rise another 25 percent in 1975. At current prices this means that Oman has over $800 million to spend in 1974, a three-fold increase over the previous year.

When the present Sultan, Qaboos bin Said, seized power in 1970, Oman was only beginning to emerge from more than a century of poverty and isolation. Under Qaboos' rule a new port and international airport have been completed, and substantial construction has taken place on roads, housing and public works. Modern educational, medical, agricultural and communications systems are being organized and equipped. At the same time, the private sector is booming with new shops, offices, apartments and houses and Oman's 600,000 people enjoy a continually rising standard of living.

American commercial interests have already begun to take part in the development of Oman. Sun Oil Co. is drilling exploratory wells in hopes of finding Oman's first offshore oil. Marshall Exploration Co. of Houston is evaluating "promising" copper deposits as well as undertaking further searches for other minerals, including chromite, nickel, and iron. FMC International, Mardela International and Del Monte, Inc. are engaged in systematic survey and initial development of the country's marine resources. In addition, FMC is establishing demonstration farms, date plantations and compact canneries for agricultural development.

Wide-ranging U.S. activity

U.S. banking is already represented by First National City Bank, Bank of America and Chase Manhattan, and oil service companies such as Williams Brothers and Halliburton are active. American consultants Buckley and Associates have undertaken to manage the new Port Qaboos and the Intercontinental, a luxury hotel. Other American consultants are expected in the near future to enter the fields of agriculture and airport management. Meanwhile, American companies are represented through agents in a wide variety of goods, including transportation, earthmoving and construction equipment and consumer goods, especially appliances, foodstuffs and luxury goods.

Major projects recently contracted or currently under negotiation continue to offer opportunities for U.S. suppliers of equipment. The nation's first two television stations, PAL color systems, to be built by Siemens and Phillips, open a whole new consumer market for sets as well as offering the chance for sale of transmitting and subsidiary equipment. Letters of intent have been sent to Sir George Wimpey and the French construction firm Dumez for major road construction projects; both should be looking for equipment in the near future. Meanwhile, the Department of Transport is undergoing major expansion and creating an asphalt maintenance capacity, with a budget of several million dollars for equipment. The prime contract for a major power/desalination complex will probably go to a French or Lebanese firm, either of which will be looking for equipment suppliers.

In the immediate future, for the sake of speed as well as to mitigate the effects of inflation, new contracts will be negotiated rather than tendered. Thus, U.S. contractors giving this market a try should find a suitable Omani agent who can follow rapidly changing events and see that the firm receives invitations to bid on projects of interest to it. The Department of Commerce or the U.S. Embassy in Muscat can assist in the selection of agents. Contractors who come to Oman for one project usually find themselves with many in a short time.

Major projects now in the planning stages that are of possible interest to U.S. firms include a 600-kilometer road from the north to the south of Oman, a 100-kilometer road over savage country, a series of power plants for interior cities of up to 12,000 inhabitants, and a scheme for bringing unassociated gas from the oilfields 100 miles in the interior to the coast for use in LPG production, fertilizer and other projects.

The Government of Oman is interested in facilitating the establishment of income-producing projects, especially those with partial foreign equity participation. Fruitful possibilities include projects utilizing the output of a 200,000 ton-per-annum cement factory now under construction, food processing, and building materials. Projects of this type already under way include Pepsi and Royal Crown bottling plants, a furniture factory and a bus service.

Looking ahead over the next few years, Quinlan sees booming demand for a wide range of goods and services. Already needed are cold storage facilities, materials handling and distribution systems, sewage treatment systems, and agricultural machinery and equipment— including irrigation equipment—with a reliable spares and maintenance system. Future opportunities include land and water management systems, guided tours, and a sport fishing industry. Even weather modification merits study here. In short, opportunities abound for American firms with the creative approach and perseverance to take advantage of them.

DRILLING FOR OIL IN OMAN—*Workmen disconnect a drill pipe in one of the country's many oilfields. U.S. firms are involved in a wide variety of commercial activities in Oman.*

MISSION TO NEAR EAST—*Director Jackson B. Hearn (second from right) and member John C. Dempsey (right) confer in Riyadh with Prince Mohamed al-Abdullah al-Faisal (left), Assistant Secretary General of the Saudi Arabian Ministry of Education, and Abdullah Hamrani, Director of Personnel.*

Near East In A Hurry To Buy Modern Education Equipment

For both economic and social purposes, Saudi Arabia, Kuwait, and the United Arab Emirates (UAE) put a high priority on achieving free, quality education for all citizens—from kindergarten to the university—in the shortest possible time. They are not interested in starting from where the developed countries were a generation ago. They want the best and most modern educational technology and equipment available, they want it now, and they are prepared to pay for it.

Members of a recent U.S. Educational Equipment and Materials Trade Mission to these countries were struck by the almost staggering dimensions of the gap between present realities and these aspirations and the magnitude of services and equipment required to close it. Clearly, expenditures running into the billions of dollars will be required over the next several years to attain these goals, according to Commerce's Jackson B. Hearn, who headed the mission.

Representatives of the six firms comprising the mission were suppliers of laboratory equipment, audio-visual training systems, projectors, and school furniture. The mission members talked with officials of ministries of education, with administrators, and with teachers. They were impressed by the receptiveness to innovative ideas and with the high regard in which American educational techniques and products are held. Mission members estimate combined sales of some $9 million within a year. All attached greater significance, however, to the much larger long-term potential they discovered and to laying the groundwork for a continuing market presence in the area. Richard W. Cook of Visual Educom, Inc., Michigan City, Ind., put it this way:

"Although I made enough sales on this trip to make it worthwhile, the real potential out here is in the future and will require lots of follow-up. My greatest accomplishment was in locating qualified local representation to help me get at this potential." The four new-to-market members concluded two agency agreements and expect to conclude eight others within the next 12 months.

Of recent origin

The drive for universal education is of relatively recent origin in these countries, dating back only to the early 1950s in Kuwait and even later in the other two, Hearn points out. In the UAE, the program is so new that the great majority of students are still concentrated in the primary grades. Saudi universities and technical colleges are turning out some graduates, but most Saudi beneficiaries of higher education are products of American universities. Kuwait has progressed substantially further toward the goal of universal education. Samuel K. Bryan, of International Film Foundation, New York City, rated the state of the art in Kuwait's primary and secondary schools as about on a par with that of a typical middle-sized U.S. city. Even in Kuwait, however, there is still considerable reliance on foreign universities.

It was apparent during this mission's visits that these educational systems have proven far from adequate—in varying degrees—to furnish the trained manpower requirements of developing economies. Technical and vocational training are particularly inadequate to local needs. As a consequence, there is a greater dependence than these countries might like on expatriate advisors, administrators, educators, medical personnel, technicians, and skilled workers.

These factors explain the urgency which these countries attach to developing their educational systems. Saudi Arabia, potentially the most lucrative of the three markets, allocated nearly one-tenth of its budgeted expenditures to education—some $430 million—in its fiscal year 1973-74 (August-July, an annual increase of 38 percent following another 38 percent increase the year before. It has now invited offers for consulting and construction services for a new $1 billion campus for Riyadh University.

Kuwait's budget for education has increased by almost one-half in the last two years, totaling $185 million in its fiscal year April 1973-March 1974. The most significant new development in Kuwait is the proposed $100 million-plus campus for Kuwait University, to accommodate 16,000 students—scheduled to go into construction in 1975.

Progress in the UAE is even more striking. At the end of 1971, there were about 60 schools and 20,000 students. Presently, there are 170 schools with 50,000 students, and by 1978 these figures are expected to reach 300 schools and 90,000 students. Under the UAE's five-year plan for education, expenditures rose from $18 million in 1972 to $118 million (budgeted) in 1974 and are targeted at $600-800 million for 1978.

These spending projections all reflect revenue positions prior to the sharp rises in oil prices at the end of last year. Thus, future expenditure levels are likely to be markedly higher.

Accelerated rates of economic development will put even greater pressures on already inadequate educational systems. Here again, the shortage of trained manpower will be both a stimulus and the main limitation to rapid progress in educational development.

What this all adds up to is a massive reliance by these countries for some years to come on foreign-sourced educational services and equipment—for everything from systems planning, curriculum development, and teacher training programs to supply of

all types of educational equipment, furniture, and basic school supplies.

Serious teacher shortages in these countries (the least so in Kuwait) place a premium on the use of sophisticated audio-visual techniques. Increased emphasis on technical and vocational training to support industrialization will generate substantial demands for such training techniques and aids. Saudi Arabia and the UAE in particular will require, in addition to equipment, consulting and advisory services for developing program concepts to employ it. Suppliers of sophisticated equipment can also expect to be asked to undertake operations and training programs. Thus the major opportunities will be for those firms or combinations of firms prepared to offer systems approaches.

The United States has not so far been a significant supplier of educational services and equipment in this area, due partly to the legacy of the long British official presence in the Gulf region and partly to the greater attentiveness to the market by competitor nations. The strong desires of these countries for rapid achievement, however, and their demands for the latest and best, are right up the alley of U.S. suppliers who are prepared to offer solutions to major problems particular to the area.

Ralph L. McCreary of Hoffman Electronics Corp., El Monte, Calif., signaled the right approach to the problem, for example, of vocational education needs in the UAE: "See what they have, learn what they want, then come back with a complete proposal to achieve it; be prepared to spend time to sell the concept, and then offer the help they need to implement it."

In addition to those already mentioned, U.S. business members of the mission and their firms were: John C. Dempsey, Armor Products, Inc., New York City; D. R. Dragstrem, Dragstrem, Inc., Marion, Ind.; and Robert C. Fraser, Technicolor, Inc., Costa Mesa, Calif.

IN KUWAIT—*U.S. Ambassador William A. Stoltzfus welcomes a prominent Kuwaiti businessman attending reception for U.S. educational equipment mission.*

MEDICAL EQUIPMENT MISSION AT WORK—*At University of Belgrade, mission member Arkey Moisiuk (left), General Science Corp., demonstrates his blood counter instrument to doctors and hospital administrators.*

U.S. Biomedical Equipment Attracts European Doctors, Buyers For Hospitals

Correspondence alone will not be enough, they say, to follow through on the almost 200 business leads generated. Several members of a recent biomedical equipment trade mission to Austria, Yugoslavia, and Poland are planning to return in person.

Cardiac output analyzers, blood cell counters, pacemakers, medical information systems, steam and gas sterilization controls, ventilators, inhalation therapy devices—all are among the products offered by the U.S. companies. Medtronic, for one example, says it expects to sell 100 pacemakers in Austria this year. The General Science Corp. representative reports that his blood machine sold well in Yugoslavia. The Surgicot representative considered the Warsaw stop a productive one for his sterilizers. And so it went from product to product.

Gathering at the new U.S. East-West Trade Center in Vienna to launch the mission activities, the members met with about 40 representatives from hospitals, government agencies, and importing firms. Later, the group met with officials of Wilhelminenspital, a large general hospital; the Federal Ministry of Health and Environment; and the government-operated insurance agency. The latter was particularly interested in the computer system offered by Searle Medidata.

In Yugoslavia's capital, the U.S. suppliers talked with University of Belgrade faculty members; in Zagreb, the group made a presentation at the Fair grounds for some 75 hospital directors and administrators, and in Ljubljana, for the Slovenian medical association. Mission members termed the Slovenia area the most advanced in medical treatment. In Belgrade, United Exporters Co. found a sales representative, and a good respirator market. A local group from Sarajevo, planning a new hospital, made a special trip to Zagreb to meet with the mission. Substantial business may develop from this episode. In appraising the Yugoslav market, the mission pointed out that price was not a major factor but concern about service was mentioned often.

"There was also real concern about the

ability to finance purchases because of the shortage of hard currency," said Mission Director Michael A. Donohue of the Commerce Department. On the other hand, he pointed out, "we enjoy an advantage over other nations," in that many of the doctors were educated in the United States.

Talks in Poland

In Poland, three members gave talks to about 30 doctors and executives who came to the U.S. Trade Center; the other members met with VARIMEX, the foreign trade enterprise authorized to trade in medical apparatus and instruments. The Surgicot representative had a lengthy interview with K. Zych, technical director of the Institute of Hygiene—"just the person he had wanted to see"—and excellent business is foreseen as a result. Some members visited CEZAL, the central supply organization; some, the Warsaw medical academy. Another Medtronic representative said of this market:

"Polish people want to know you personally before going into business. Also, hard currency is a big problem. We have to be persevering and patient."

All of these and other contacts and observations add up to this statistical picture: Actual sales during mission, $137,000; 12-month projections by new-to-market firms, about $1.4 million; sales representatives appointed, 3.

Firms comprising the mission, and their representatives, were: Ameresco, Inc., Montclair, N.J., Peter D. Stople; General Science Corp., Bridgeport, Conn., Arkey Moisiuk; Medtronic Inc., Minneapolis, Serh Nisam; Searle Medidata, Inc., Lexington, Mass., W. H. Klassen; Surgicot, Inc., Valley Stream, L.I., Walter W. Denzler, Jr.; United Exporters Co., San Francisco, Nathaniel C. Berkowitz; USCI International, Inc., Murray Hill, N.J., Alexander R. Torek.

ALSO IN BELGRADE—*Mission member Nathaniel C. Berkowitz (right), United Exporters Co., explores his firm's catalogs with an end user.*

Eximbank May Face Lending Constraints For The First Time

The Export-Import Bank of the United States—Eximbank—which for several decades has been an important source of financing for large U.S. export transactions, may find its lending program constrained for the first time by ceilings on its aggregate annual activity.

The ceilings affect only Eximbank's direct loan program, not its commercial bank guarantee nor Foreign Credit Insurance Association (FCIA) programs.

Oldest and best-known of Eximbank's facilities is the direct loan program, under which the Bank lends to enable foreign buyers to purchase U.S. goods and services. Eximbank direct loans typically involve large-scale projects that require repayment terms of five years or longer. Products financed under this program include jet aircraft, complete factories, nuclear reactors, and major pieces of equipment such as large turbines and generators and the components of mining, petroleum, and similar complexes.

Financing to support these major projects, in the full amount and maturity necessary, is ordinarily unavailable from private sources. To meet these special credit needs, therefore, Eximbank to date has extended loans to creditworthy foreign buyers under its fairly consistent 10-45-45 pattern. That is, the Bank makes a loan from its own funds for 45 percent of the U.S. export costs, provided that a 10 percent downpayment is made in each case and that the financing for the remaining 45 percent is obtained from outside sources. The outside financing institution also could, upon request, obtain an Eximbank repayment guarantee on its participation.

In addition to assuring an adequate supply of export credit, an attractive feature of the loan program has been the interest rate charged on Eximbank's own funds, currently 7 percent. When blended with the outside financing, the combined rate in a typical transaction is 8.6 percent. By comparison, interest rates on the private market under present circumstances range upwards of 12.5 percent. Eximbank's interest rate, of course, reflects the level needed to meet the competition of foreign governments financing their own exports, often at effective interest rates well below the combined Eximbank-private financing rates.

Eximbank's loan authorizations rose from $1.6 billion in fiscal year 1970 to $2.4 billion in fiscal year 1973, a 50 percent increase over the four-year period. Losses since the Bank's inception amount to only .02 percent of cumulative loan disbursements.

In recent months, applications for Eximbank loans have surpassed earlier estimates. As currently projected, the Bank's loan authorizations for fiscal year 1974 (ending June 30, 1974) could reach $4.8 billion if all pending sound and creditworthy applications could be approved. Part of this increase can be expected as overall U.S. exports expand and as U.S. export prices rise. Adding to these factors, however, are recent tight money conditions and high interest rates worldwide, which have made Eximbank's lending facility even more attractive, and in some cases indispensable, if U.S. export sales are to be made.

However, an important constraint on the Bank is the annual loan authorization ceiling set by the Congress and its appropriations committees. In previous years, this annual limit—which is enacted as part of the Foreign Assistance and Related Programs Appropriations Act—has never required the Bank to turn down a loan which it considered sound and necessary to an export sale. For fiscal year 1974, however, the ceiling on loan authorizations is $3.8 billion.

Although the annual ceiling is higher than in previous years, given the increase in sound creditworthy applications, a ceiling of $3.8 billion will require the deferral of up to $1 billion in export loans until fiscal year 1975 (beginning this July 1) before formal authorization action may be taken. The substantial size of this deferral is expected to compress the Bank's capacity to lend in fiscal year 1975.

The authorization ceiling for fiscal year 1975 is not yet set. The House Appropriations Committee is known to be considering a ceiling of $3.4 billion. Congressional action on the Eximbank's authorization ceiling for fiscal year 1975 will not be completed until later this year.

In the face of these constraints, Eximbank is presently considering various alternatives to its present financing pattern.

One alternative would be that the Bank would deny from 25 to 40 percent of the loan applications it otherwise would have approved.

A second option would be to reduce Eximbank's support for certain export products which today account for a large proportion of Eximbank's total loan authorization.

A third alternative would be to reduce Eximbank's participation in loans from the present 45 percent to a lower level. This would increase the cost to foreign buyers and possibly render U.S. exports less competitive, since greater amounts of relatively costly private financing would be required to fill the gap. For example, a reduction in Eximbank's participation to 30 percent from the present 45 percent would raise the average interest rate from 8.6 percent under present circumstances to 9.8 percent.

COMPUTING FOR CUSTOMERS—*During office equipment exhibition in Tehran, Patte Nirum of Hewlett Packard (center) demonstrates his firm's mini-programmable calculator to potential buyers. In photo at right, Roland Kocsis (right) demonstrates Wang Laboratories' 2200 series to U.S. Ambassador to Iran, Richard M. Helms, and exhibition visitors.*

Mini-Calculator Is A Multi-Seller At Show In Tehran

An avid market for programmable calculators and copiers was pointed up this year at an exhibition featuring office equipment and mini-computers at the U.S. Trade Center in Tehran.

The success story of the show was a "computer in a pocket" which the manufacturer introduced for the first time in the Near East. He was swamped with orders. Also, a recent decision by the Iranian Government to microfilm archives has created a fine market for microfiche products. The 25 participants in the exhibition estimate follow-on orders during the coming year at some $4 million.

Iran continues to be the best market for U.S. goods in the Near East. Enormous oil revenues and the ability to put them to work within the country have created a prime opportunity for U.S. manufacturers. As Iran pushes ahead dramatically with industrialization, large amounts of office equipment will be required by new plants and commercial enterprises. Mini-computers have not as yet made major inroads in Iran; however, as the country is forecasting 9,000 computer mainframes in operation within the next ten years, mini-computers will undoubtedly have a large share of the market.

A new angle to the recent Trade Center event was a video-tape road show that took the exhibition to five major cities in Iran. Live demonstrations of the equipment of 22 exhibitors were put on video tape and screenings held for businessmen in Tabriz, Ahwaz, Khorramshahr, Shiraz, and Isfahan. Seven firms took along equipment to show. Floor sales resulting were $170,000, and projected sales were almost $1 million. This technique proved the value of taking shows to the market rather than expecting the whole market to come to the show.

U.S. Electronic Catalogs In Tel Aviv Draw Users

More than 3,300 trade inquiries were recorded during a U.S. catalog show held earlier this year as a part of TECHNOLOGY 73/74 in Tel Aviv. (Results of the U.S. participation in the international fair were reported in the April 9 *Commerce Today.*)

Set up just outside the exhibitors' lounge in the U.S. pavilion, the electronic equipment catalogs were examined in detail by engineers, scientists, technicians, and manufacturers. Registered visitors during the eight-day show totaled 461. Of the 128 catalog exhibitors, 126 received inquiries. As with all such Commerce-sponsored shows, an industry specialist from the United States—for this exhibit, Hyman B. Natkin, Associate Editor of *Instruments and Control Systems,* a Chilton publication—was in attendance to answer questions.

U.S. Firms May Participate In Berlin Consumer Fair

The AMK Berlin, Company for Exhibitions, Fairs, and Congresses Ltd., invites U.S. manufacturers of consumer goods to exhibit their products in the 12th Overseas Import Fair, "Partners for Progress," in Berlin Aug. 29-Sept. 2. Write: Hans Teetz, German-American Chamber of Commerce, 666 Fifth Ave., New York, 10019; telephone, 212-582-7788.

U.S. Catalogs Displayed During Mid East Medical Conference In Beirut

A four-day U.S. catalog show in Beirut last month, featuring hospital and medical equipment and supplies, attracted about 50 attendees each day.

The exhibition was held at the American University of Beirut Hospital, in conjunction with the Mid East Medical Conference in session at the hospital. The visitors were primarily doctors, hospital administrators, representatives of health ministries, and agents. The businessmen attending were chiefly Lebanese distributors interested in obtaining new lines of equipment. A substantial number of visitors—especially doctors who, having been educated in the United States, were interested in U.S. products—came from other Near East countries. An industry representative who accompanied the exhibition—Dean L. Folker of Stone, Marraccini & Patterson, San Francisco—showed slides of hospitals, equipment, and hospital building systems.

Construction activity in the area of health services is under way through the Near East, and consequently, a demand exists for related medical equipment. Person-to-person discussions with the visitors revealed a desire to do business with the United States, and a recognition of the quality of U.S. equipment, Folker said.

Another U.S. catalog show in the Near East has been in progress this month. Focusing on building materials and light woodworking and metalworking tools, the June exhibition was scheduled in conjunction with an engineering conference, also at the American University of Beirut.

MAKING A POINT—*At U.S. Trade Center's Micrographic Equipment Exhibition in Tokyo, Paul Kiejzik (right), Motion Technology Corp., explains his product to customers.*

U.S. Micrographics Display In Tokyo Images Growing Market For Equipment

Reflecting in part current steps by Japan toward giving "legal status" to microfilmed documents, plus effects of the country's paper products shortage, interest ran high in the recent U.S. Micrographics Equipment and Supplies Exhibition at the Tokyo Trade Center. Some 2,000 visitors viewed demonstrations of the machines and materials on display in this rapidly growing market.

Of the products exhibited, the following appear to have the greatest sales potential: microfiche reader/printers, especially with computer-aided information retrieval systems; roll film cartridge cameras, readers, and automatic processors; vesicular films; mini-sized magnetic microfiche trays; microfiche terminal newspaper files; microfilm jackets (currently not widely used in Japan); and graphic input/output devices. The least potential for immediate sales was in medium- to large-sized magnetic microfiched trays, film jacket inserters, and silver recovery units.

The exhibitors are optimistic about future sales, given the superior quality of the technology embodied in U.S. made equipment. In most cases, however, prices were higher than for comparable Japanese-made products; and exhibitors expressed concern about the effects of future actual or de facto devaluation of the yen. (Current exchange rate is around Y280 = $1.)

The Japanese market for micrographics equipment has been expanding rapidly over the past few years, with sales more than tripling since 1968. Heretofore, market growth has been limited by commercial code regulations denying admissibility in the courts to certain microfilmed corporate records.

On March 19, a supplementary resolution granting conditional legal status to microfilmed corporate documents (balance sheets, profit and loss statements, property lists, etc.) was passed by the Lower House of Diet, along with revisions to the commercial code. Specific conditions of legal admissibility, primarily involving standardization of documents, microfilming procedure and storage conditions, are currently being formulated by the Japan Microphotography Association for subsequent approval by the Ministry of Justice.

Trade sources anticipate a rapid increase in the growth of the micrographics market as a result of this action, with sales reaching perhaps Y20 billion by the end of this calendar year. (Sales totaled Y15 billion in 1973.) Many of the exhibitors attributed the success of their participation to this fact.

U.S. Firms Invited To Exhibit At Biennial Bolivian Fair

Bolivia's biennial International Fair of Santa Cruz, Sept. 18-19, featuring cattle raising and agriculture, industrial, commercial, and handicraft displays, is inviting U.S. firms to participate. **Write:** Comite de Exposiciones Ferias, Casilla 116, Santa Cruz de la Sierra.

At the fair the U.S. Embassy will hold a technical seminar and display catalogs and other product information, including small demonstration models, supplied by U.S. firms. Edgar L. Rojas, Commercial Attache La Paz, A.P.O. New York 09867, will accept 50 copies each of literature and product photos and arrange company participation in the seminar.

Japanese Welcome U.S. Firms To Cold Weather Exhibition

U.S. suppliers will have an opportunity to participate in an Exhibition on the Human Environment in Northern Regions, to be held in Sapporo, Japan, Sept. 14-29, in conjunction with an international conference to be hosted by the Governor of Hokkaido Sept. 17-19.

The Prefectural Government and the Sapporo Chamber of Commerce will organize the exhibition. Pavilions and a large fairground will be constructed to house scale models of public projects and samples of manufactured products. Industries considered particularly appropriate include snow removal equipment; housing; dairy and farming equipment; clothing; food storage and transportation; special public transportation; pollution equipment; urban planning; and architectural and industrial consultants.

The U.S. Consulate suggests that interested new-to-market firms contact either of the following individuals immediately: Masayuki Soma, Chief of Secretariat, Promotion Headquarters for International Conference of the Human Environment in the Northern Sphere, North 3, West 5, Chuo-ku, Sapporo, Japan 606; or Michio Imai, President, Executive Committee for the Exhibition on the Human Environment in Northern Sphere, c/o Sapporo Chamber of Commerce, North 1, West 2, Chuo-ku, Sapporo, Japan 060.

U.S. Exhibition Results In Brief

The following summary reports have been received on U.S. overseas commercial exhibitions. Further details and marketing data derived from these exhibitions will be published as available.

Biomedical Equipment Exhibition, U.S. Trade Center. Milan, Italy. June 4-8. Exhibitors 39; floor sales, $282,175; 12-month projection $5.4 million, of which $2.8 million is estimated by new-to-market firms. Agreements concluded, 5, 43 under negotiation; 2 licensees and 1 franchise under negotiation. Business visitors, 731.

Instruments, Controls, and Analytical Equipment. Taiwan Trade Center. May 20-24. Exhibitors, 20. Floor sales, $242,000; 12-month projection, $2.8 million.

Data and Telecommunications Exhibition. Milan Trade Center. May 14-18. Exhibitors, 59. Floor sales, $604,000; 12-month projection, $15.8 million, of which $7.3 million is estimated by new-to-market firms. Of the 14 exhibitors seeking sales representatives, all have appointed or are negotiating with prospects. Also reported were 25 new market penetrations in 13 countries other than Italy. Registered visitors, 1,735.

IN PENNSYLVANIA—*The Insurance Company of North America is honored with "E" Star presented by Sen. Hugh Scott, at podium, with John T. Gurash, INA Corp. board chairman. In downtown Pittsburgh, Commerce Under Secretary John K. Tabor (left) helps hoist flag for Equibank chairman M. A. Cancelliere (center), and president William Bierer.*

ILLINOIS WINNER—*At the World Trade Conference in Chicago earlier this year Harvey Davis (left), president of Bishop Freeman Co., Evanston, received "E" Award certificate from Gerald M. Marks of Commerce's Chicago Regional Office.*

BEEF AND LAMB EXPORTER—*Monfort of Colorado, Inc., of Greeley is the State's 18th "E" winner. From left are: Thomas J. Patterson, Jr., Maritime Administration; John G. McMurtry and J. Mishell George, U.S. Department of Commerce; Kenneth W. Monfort and Jim Alles, president and export manager, respectively, of the recipient firm.*

Along The 'E' Route

Examine a sampling of recent Presidential "E" for Export Excellence Award winners—as depicted on these pages—and note common threads of marketing effort.

Taking the high-quality route to beat price competition: Porex Materials, maker of plastic nibs for marking and soft tip pens, has built a reputation by working with the prestige pen manufacturers overseas. It creates custom styles for them, performs important testing, recommends appropriate inks and accessories . . . and outsells firms with lower unit prices. Similarly, Monfort of Colorado, selling beef and lamb products, has won customers in hotel-restaurant outlets in Japan, Hong Kong and Germany for top grades of meat. At EXPO '70 in Osaka, for example, 400,000 portions of Monfort beef were introduced to foreign palates as the best at the fair.

Kelvinator Commercial Products Scientific and Industrial Division has marketed its advanced Ultra Cold research freezers overseas with a U.S. flag identification on each product. The symbolism: American-made for quality and dependability. Monroe Auto Equipment emphasizes top quality in its shock absorbers by backing them with a mileage guarantee. The quality theme is high on the agenda at Monroe's annual international conference for its foreign distributors. Quality is the selling point for Paul Mueller as its milk cooling equipment competes on price with foreign producers.

Containerized shipments: Lummus, shipping cotton ginning and textile machinery and hydraulic presses, has stayed competitive on some large overseas orders by effective use of containers, sometimes saving up to 15 percent of transport costs. Monfort ships beef in special temperature/humidity controlled containers.

Speedy delivery: Typifying the attitude of all these "E" winners, J. Morgan Newbern ships all orders in its small dry goods line within two days. It maintains a complete inventory of 15,000 items at a central warehouse and uses air freight liberally.

After-sales service: Lummus, for one, has a spare parts and service program that rushes needed replacements by air and puts field engineers where customer training is sought. Paul Mueller has its officials constantly traveling abroad to offer installation advice and back-up service. Bishop Freeman's line of textile maintenance equipment includes inexpensive specialty supply items that need to be replaced quickly and often. The firm has set up a special jet air delivery to handle such replacements.

The two service enterprises in this "E" sampling, Philadelphia-based Insurance Co. of North America and the Equibank N.A. of Pittsburgh, have stimulated exports in the business community generally, through workshops, training programs and orientations, while pursuing their own marine insurance and export financing activity.

EXPORTERS LARGE AND SMALL—*Monroe Auto Equipment, a major enterprise in the Michigan automotive scene, and J. Morgan Newbern, Inc., a 12-person wholesaler of small dry goods item, shared "E" honors. Monroe's chairman Charles S. McIntyre is at right in left photo; others, from left, are S. John Byington, U.S. Dept. of Commerce, and Michigan State Rep. Raymond C. Kehres. Above are (from left) Bradford H. Rice, U.S. Dept. of Commerce, and J. Morgan Newbern and William W. Newbern of Memphis firm.*

EXPORTERS COLD AND COLDER—*Kelvinator Commercial Products Inc., Manitowoc, Wis., maker of supercold research freezers, and Paul Mueller Co., Springfield, Mo., producer of milk-cooling equipment, have won "E" honors. Commerce's Deputy Asst. Sec'y Marinus van Gessel presents award to Jock Pantaenius, president of Mueller Int'l Sales Corp. Other photo has (from left) James F. Hirssig, export manager, and Marion L. Weaver, president, of Kelvinator unit, with Rep. William A. Steiger of Wisconsin.*

IN GEORGIA — *Lummus Industries, Columbus, Ga., received its "E" certificate from R. Alex McCullough, Eximbank director (second from right). In photo are (from left) Raiferd L. Drew and A. Illges, president and board chairman of Lummus; David S. Williamson of Commerce's Atlanta Regional Office, and U.S. Rep. Jack T. Brinkley. At right is the presentation to Porex Materials, Inc., Fairburn, Ga.: Merritt E. Freeman of Commerce's Bureau of International Commerce (left) with Porex founder C. A. Dickey.*

AT U.S.-KOREA MINISTERS MEETING—*Addressing the press following the Sixth U.S.-Korea Commerce Ministers Meeting in Washington were (from left) Korean Ambassador to the U.S. Pyong-choon Hahm, Secretary of Commerce Dent, and Korean Minister of Commerce and Industry Yie Joon Chang. Discussions covered a range of issues.*

U.S., Korea Aim To Hold Bilateral Trade Momentum

The U.S. and Korea should both take further steps to maintain the existing momentum in trade between the two nations, it was agreed by Secretary of Commerce Frederick B. Dent and Yie Joon Chang, the Republic of Korea's Minister of Commerce and Industry, at the recent Sixth U.S.-Korea Commerce Ministers Meeting in Washington.

U.S. exports to Korea last year were triple the level of 1967, when the ministerial series began. This places Korea 13th among U.S. foreign markets and third among the developing nations trading with the U.S. Over the same period, U.S. purchases from Korea increased eightfold.

Included in the range of trade and investment matters discussed were Korea's interest in an adequate supply of certain U.S. raw materials (particularly ferrous scrap), and the promising investment opportunities offered U.S. firms by Korea's economic development plans.

On its part, the U.S. side indicated its appreciation for Korean Government efforts to encourage purchases of American products, and "expressed the hope that there would be further liberalization of Korea's import restrictions to the degree permitted by Korea's improving external balance of payments."

With respect to investment, it was pointed out that a "competitively attractive investment climate required the establishment of conditions which will not only attract new investment but permit the successful operation of existing U.S. enterprises."

The Korean delegation also noted questions regarding the proposed U.S. Trade Reform Act and the differential freight surcharge on U.S. shipments to Inchon, while the U.S. delegation raised the topics of industrial property rights, the operations in Korea of U.S. banks and insurance companies, and Korean imports of American motion picture films.

Imports Into Iceland Now Face Temporary Deposit Regulation

Iceland has introduced a temporary import deposit program affecting imports from all sources. The action came into effect May 20 and is valid until Sept. 30.

Under its provisions, importers of all goods, apart from certain specified exceptions, are required to deposit with the Central Bank 25 percent of the value of the imports. This sum is blocked for a period of 90 days before being refunded with an interest rate of 3 percent per year. Main exceptions to the deposit requirement are cereals and fodder, coffee, sugar, tea, cacao, salt, petroleum products, fishing gear, fertilizers and seeds, raw materials for industry, wine, spirits and tobacco, pharmaceutical products and newsprint.

This action was taken by the Government of Iceland because of serious balance of payments difficulties.

Peru Tightens Import Controls

Peru has issued new foreign exchange regulations significantly tightening import controls. Under the May 11 regulations, all imports are now subject to prior establishment of a letter of credit in foreign exchange. Merchandise on consignment must be covered by a letter of guarantee in foreign exchange issued by a domestic bank.

All imports not falling under previous regulations requiring foreign credits for capital goods valued at over $10,000 must now be financed from abroad for at least 180 days.

All importers must fill out new forms showing 1974 import requirements. Pending the new 1974 authorization for imports, existing firms may not import more than 50 percent of their previous authorizations. Shipments under way prior to May 15 are exempt.

U.S.-Polish Trade Publication

Present and prospective U.S.-Polish trade is examined in a special issue of the monthly magazine *Polish Foreign Trade.*

Secretary of Commerce Frederick B. Dent, in an interview article, notes that "The position of the United States Government with respect to industrial cooperation with Poland is certainly to encourage it." David Rockefeller, chairman of the board of Chase Manhattan Bank; Donald E. Stingel, president of the Swindell-Dressler Co.; Thomas L. Tyler, president, International Division, Clark Equipment Co.; and Robert J. McMenamin, vice president, Overseas Division, International Harvester Co., discuss activities of their firms in Poland.

Polish Foreign Trade Minister Tadeusz Olechowski and other Polish officials contribute articles on the present level of U.S.-Polish trade and prospects for the future, Poland's position among major industrial powers, and Polish-American cooperation in engineering.

Copies of this Polish Government publication may be obtained while limited quantities last from the Bureau of East-West Trade, Room 4325, U.S. Department of Commerce, Washington, D.C. 20230, phone 202-967-2645.

Calendar For World Traders

July 15-19 — New York — Course on Marketing Your Products Internationally, American Management Association headquarters. Speakers include Merritt Freeman, Director of Commerce's Export Information Division.

July 16-17 — New York — Seminar on Expanding Your Export Sales Through Government Trade Development Organizations, World Trade Institute.

July 25-26 — Washington, D.C. — Workshop in Intercultural Communication, designed to aid in dealing more effectively with people of other nations. Sponsor: Human Resources Research Organization. Phone Alfred J. Kraemer, 703-549-3611.

Aug. 12-14 — New York — Briefing session on Trading with the People's Republic of China, American Management Association headquarters. Speakers include Commerce's William W. Clarke, Director, PRC Affairs, Bureau of East-West Trade.

Worldwide Business Opportunities

International trade specialists in the Department of Commerce and Foreign Service Officers in the U.S. Embassies and Consulates around the world are continually developing specific commercial opportunities through which American companies can find buyers, agents, partners or investors overseas. One of the major means for communicating these opportunities promptly and accurately to the U.S. business community is through the columns of this magazine. The section that follows presents details about licensing and joint venture proposals, opportunities to sell to foreign firms and government agencies and appoint agents, and details on major construction and expansion projects.

Licensing, Investment Abroad

2033, 2037 — BOLIVIA — Country's only alcoholic beverage manufacturer, seeks a joint venture or license arrangement to can and freeze **fruit juices.** Firm has established marketing channels and excellent manufacturing facilities. Juice would be for domestic consumption and export to Andean Pact countries. Foreign Investment Services Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. P-74344. OPIC.

2048 — JAMAICA — One of the largest poultry meat and egg producers seeks a U.S. partner for production of **poultry feed.** American partner would contribute capital, equipment, and expertise. Market for product in Jamaica is estimated at 300 to 500 tons weekly. Foreign Investment Services Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. WTDR. P-74345. OPIC.

2099 — INDIA — A company is seeking American collaborator for setting up plant for manufacture of **oleoresin from ginger.** Product would be mainly for export. Contacts are sought with firms in position to purchase bulk of production. K. G. Mehra, Indian Investment Centre, 708 Third Ave., New York 10017. P-74346. OPIC.

2514, 3446 — JAMAICA — A manufacturer of wrought iron products including **lamps, chandeliers, candle holders, magazine racks, protective grills, staircases,** seeks capital for expansion and diversification. Market for wrought iron furniture, protective grilles and staircases has good prospects due to rapid growth of construction industry in Jamaica. Products could also be exported to CARICOM/CARIFTA markets which enjoy duty-free and quota-free entry. Established in 1970, firm has sales of about $82,000 in 1973. Glen A. McDonnough, Managing Director, B & B Metal Works Ltd., 100 Constant Spring Road, Kingston 8, Jamaica. P-74347. OPIC.

2844 — CYPRUS — Seeks licenses to produce **toothpaste.** Long established, well-known firm with estimated net assets of $450,000 and sales of $500,000 annually. Currently manufactures and distributes cosmetics, toiletries, and household insecticides. Takis Ch. Pattichis, Pattichis Chemical Co. Ltd., Limassol Industrial Area, P.O.B. 300, Limassol, Cyprus. P-74348.

3448 — BRAZIL — Seeks joint venture with U.S. firm to produce **fabricated structural metal for buildings, warehouses, silos, fountains, bridges, towers, tanks and theaters.** Firm employs 205 and has a registered capital of $1.5 million. Contact Dr. Adolfo Fragner, President, Construtora de Armazens e Silos Armasil S.A., Rua Conselheiro Crispiniano 344, 11°andar, cj. 1108-Sao Paulo, S.P., Brazil. WTDR. P-74349. OPIC.

3448 — SWITZERLAND — Seeks licenses (or representation) for production of **small to medium sized greenhouses for hobby gardeners.** Items of interest should be prefabricated and suitable for do-it-yourself assembling. Firm is small to medium importer and distributor of building materials and gardening items. Has staff of 10 employees and maintains own sales and distribution organization. Mr. Kasper, Neomat AG, Alzbachstr. 5735 Reinach, Switzerland. P-74350.

3530 — FRANCE — Manufacturing rights for (1) **maintenance platforms,** (2) **lifting platforms for personnel and equipment;** (3) **small motor trucks for use on public works projects;** (4) **hydraulic tools;** (5) **small container handling equipment;** and (6) **electrical and hand operated winches, 500 kg. to 5 tons.** Company presently produces lift tables and is subsidiary of manufacturer of materials handling equipment. Employs 230, reports annual sales of $5.5 million. Albert Soued, SEDIT, 85 rue Jean Lolive, 93170 Bagnolet, France. WTDR. P-74351. Copies of firm's product brochures (in French) available from Foreign Investment Services Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230.

3532 — ARGENTINA — Seeks license to assemble, eventually manufacture **shovel loaders and forklifts in Chile and Ecuador.** Company is major producer of automotive components, has affiliates in Chile and Ecuador. Can expand operations in these two countries to include production of loaders and forklifts. Company has presented proposals to the respective governments. Initially, would begin with assembly of components and move towards a greater integration of local manufacture over a five-year period. This project will enable interested U.S. firms to maintain market presence in Chile and Ecuador and, possibly, in other Andean Pact countries. Sr. Nicolas Zajec, Gerente de Proyectos, TENSA, Viamonte 494—3° Piso, Buenos Aires, Argentina. WTDR. P-74352. Further details available from Foreign Investment Services Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230.

3551 — YUGOSLAVIA — Major trading organization seeks license on behalf of manufacturing partner for production of **food drying and processing equipment.** Interests include (1) **drying equipment for plums, hops, cereals and seeds** and (2) **complete processing lines for peppers, tobacco, medicinal herbs, meat, leather, fish and fish waste.** Companies are interested in manufacturing high capacity equipment for sale in domestic, East and West European markets. Also interested in agency representative. Ing. J. Salevic, Coordination Department, Universal, Majke Jevrosime 51, P.O.B. 30, 11001 Belgrade, Yugoslavia. WTDR. P-74353. OPIC.

3559 — DENMARK — Manufacturing rights for **waste water treatment systems (mechanical, biological, chemical) for plants serving communities up to 20,000.** Danish engineering company, specializing in waste water treatment, offers to design and build waste water treatment systems in Denmark and Norway based on American methods and know-how. Established in 1937, firm employs 25 and reports 1973 sales of about $2 million. It is a fully owned subsidiary of a major building materials manufacturer, which in turn is affiliated with a large international Danish construction company. Jorgen Clausen, M.Sc., Nordisk Triclair A/S, 38 Fabriksparken, DK-2600 Glostrup, Denmark. WTDR. P-74354. Copies of firm's literature (in Danish) available from Foreign Investment Services Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230.

3568, 3569, 3822, 3824—UNITED KINGDOM —Seeks licenses to manufacture following items: **dry plate clutches for transmitting from 1 to 40 hp.; tank breathers with dehumidifying arrangements for fuel oil, hydrocarbons, acids, solvents, fine and dry powders; tank filters; coalescers; fire shut off valves; flow meters; flame traps; rigid or moveable pipe supports; de-ionizing equipment; air eliminators for fluid systems; acoustic treatment for generating equipment.** Firm is associated with company making marine and sewage pumps, and chemical paint. K. J. Harding, Director, Vanpipe Ltd., Harvey Works, Lingard St., Burslem, Stoke-on-Trent, ST 6 1EE, England. WTDR. P-74355.

3580 — MALTA — Manufacturing rights for **air conditioning equipment and compressors, temperature control equipment and controls, refrigerators and cold storage machinery, soft drink dispensers, vending machines and household appliances.** Production would be exported to Europe, Middle East and Africa. Firm has proposal from Middle East countries interested in air conditioning manufacturing program in Malta, if compressors can also be made locally. Company presently produces air conditioning equipment and is part of a major Maltese group. Concern has substantial facilities for long term financing and seeks marketing and technical expertise from an American partner. It operates a well equipped, modern plant. Joe O'Dae, Airking International Ltd., Industrial Estate, Marsa, Malta. P-74356. Further details are available from the Foreign Investment Services Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. OPIC.

3621 — TURKEY — Seeks license to manufacture **0.5 to 15 hp. electrical motors.** Firm believes there will be a growing demand for motors with appreciable use in sales of electrical household equipment. Company is producing gasoline and diesel engines. Has casting and molding facilities to make component parts. Is affiliate of major holding group. Has good business reputation. Haluk Somer, Managing Director, Celik Montaj Ticaret Ve Sanayi A.S., Kartal, Istanbul, Turkey. P-74357. OPIC.

3670 — INDIA — Electronics specialist visiting United States under United Nations sponsorship seeks collaborators in technical development of electronics industry. Particularly interested in **magnetic and radio tape, glass fiber optics and computers.** Can be reached through September c/o Jerome T. Margolius, Government Affairs Institute, 1776 Massachusetts Avenue NW., Washington, D.C. 20036; telephone, 202-833-2500. After September, write Balraj Bhanot, Di-

rectorate of Industrial Development, Udyog Bhavan, New Delhi, India. P-74358. OPIC.

3714 — VENEZUELA — Seeks licenses to manufacture **bevel gears, worm gears and spiral gears for industrial and automotive use.** Also **speed changers and reducers.** Firm produces automotive parts, and engages in metallurgical and mechanical work. Annual sales estimated at $1.2 million. Construcciones Mecanicas Eleazar Gomez Sucesores C.A., Cristo A Arismendi, Num 98, Aptdo. 694, Caracas, Venezuela. WTDR. P-74359.

3792, 2394, 3732 — AUSTRALIA — Established firm interested in importing or manufacturing under license leisure products including **campers, camping equipment, boats and other outdoor accessories.** Firm, at present, principally engaged in instrumentation, has recently expanded its activities by the addition of a leisure product manufacturing group. M. C. Jones, Product Manager, Smith Industries Ptdy. Ltd., 46-52 Ferndell St., Guildford, New South Wales 2161, Australia. WTDR. P-74363.

7011 — KOREA — The International Bank for Reconstruction and Development has extended a $25 million loan to the Government to help finance a $50 million **international tourism resort** at Bomun Lake near Kyongju, ancient Silla capital. This project, the first phase of the projected development, is scheduled for completion by 1982. The first phase envisages promotion of tourist hotels and provision of utilities, services and recreational facilities for the projected tourism complex. Detailed engineering design has nearly been completed. Project offers business opportunities for U.S. firms, including consulting services, supply of electrical and specialized building materials for hotels, joint ventures in hotels and hotel management and hotel personnel training. Write: Foreign Investment Services Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. P-74360. OPIC.

7310 — SAUDI ARABIA — A company engaged in **maintenance, cleaning and environmental health** is seeking contracts with U.S. firms for cooperation in bidding on government tenders for such services. Firm, which employs 45 persons, also wishes to represent U.S. companies providing similar services. Saleh A. Kamel, General Manager, Dallah Establishment, P.O. Box 1438, Riyadh, Saudi Arabia. P-74362.

8244 — ZAMBIA — A businessman and educator is seeking a joint venture with an American educational organization to establish a **business college.** Forty-nine percent equity would be offered to the U.S. partner. The three-year college would be located in Lusaka. In its third year of operation, the school would accommodate between 320 and 360 students. Additional information available from Foreign Investment Services Staff, Room 4021, U.S. Dept. of Commerce, Washington, D.C. 20230. P-74364. OPIC.

8911, 3600, 1500, 2000, 2820 — NORTHERN IRELAND — Local Enterprise Development Unit, a limited company sponsored by Ministry of Commerce, interested in broad spectrum of potential opportunities for small firms in Northern Ireland. Type of U.S. collaboration sought includes joint ventures and licensing arrangements in engineering, electronics, construction, food, drinks, and plastics. Participation would include sharing technical know-how and granting of licenses for use of patents or trademarks. Equity to U.S. participants can be freely negotiated. Further information can be obtained from George McLaren, Director, Northern Ireland Industrial Development Office, 150 E. 58th St., New York 10022. Telephone, 212-593-2258. P-74365.

Foreign Investors Welcome To Set Up Plants At First Indonesian Industrial Estate

Private foreign investors are welcome to establish plants at the Jakarta Industrial Estate at Pulo Gadung, Indonesia's first full-fledged industrial estate, provided their investments are approved by the Government of Indonesia. The estate occupies about 1,403 acres near the eastern boundary of Jakarta along the Bekasi main highway approximately nine miles from the center of the city, close to major transportation and to the nearby central communications network in Jakarta. A $51 million project, the estate provides infrastructure utilities and fully serviced industrial land and administrative services at competitive prices to domestic and foreign investors. The estate management also provides assistance in choosing a plant site and designing or building production facilities. It can help investors in obtaining necessary licenses and operating permits. A copy of the report from the American Embassy in Jakarta covering the estate is available from Foreign Markets Report Unit, Room 1033, U.S. Department of Commerce, Washington, D.C. 20230; refer to DIB No. 74-07-010.

U.S. Embassy In Quito Seeks Machinery, Equipment Catalogs

The Commercial Library of the U.S. Embassy in Quito is lacking in catalogs for the below categories of machinery and equipment which have the best sales potential in Ecuador.

Officials at the Embassy would like to build a representative collection of catalogs for the library and, in addition, obtain extra copies that can be contributed to local Chambers of Commerce and Industry during their visits around the country. The catalogs (at least 3 copies of each) which will be most useful are: construction equipment of all kinds; agricultural machinery and related equipment; electrical and non-electrical machinery, particularly metalworking and finishing machinery; and food processing and packaging machinery.

Interested U.S. firms should send catalogs directly to: American Embassy, Commercial Section, 120 Avenida Patria, Quito, Ecuador.

Licensing In U.S.

For additional information on these opportunities to manufacture foreign firms' products in the U.S. under a licensing agreement or in partnership, write the Investment Services Staff, Bureau of International Commerce, Room 4020, U.S. Department of Commerce, Washington, D.C. 20230 (202-967-2248), referring to the appropriate file number.

FRANCE — Large French company dealing in the research, manufacture, and transformation of all chemical and para-chemical products wishes to license for use in the United States its new method for manufacturing **construction panels from chemical gypsum.** Under this new method high-quality panels can be made at low cost from the gypsum, an unwanted by-product of certain processes for producing fertilizer. Company will also consider a joint venture arrangement. **File 2589**

FRANCE — Prominent French manufacturer of **ladies' knitwear, shirts, skirts, and pants** seeks a joint venture partner for manufacture of its product line in the United States. Firm has many shops not only throughout France, but also in West Germany, the Benelux countries, Spain, and Switzerland. It has already established a joint venture with a Japanese partner. **File 2590**

ITALY — Italian inventor wishes to license for manufacture in the United States his **skimmer for cleaning floating fluid pollutants from sea water.** Substances collected and processed by the device include mineral oils, lubricants, and tanker residuals. Any form of cooperation with a U.S. company directed toward exploiting this patent will be considered. **File 2591**

SWITZERLAND — A license for manufacture in the United States of **equipment for waste water treatment plants** is being offered by a highly specialized Swiss engineering and design firm. This equipment, hailed by prominent pollution experts and licensed in 22 countries, makes possible reduced costs and maintenance. It consists of a new automatic sludge suction collector, an automatic scraper trolley for removal of deposits from the bottom of sedimentation basins and for removal of floating materials, and a screen with an automatic grabbing system for removal of solid waste carried with the waste water flow. The system provides savings of 10 to 20 percent in materials costs alone by utilizing flat-bottom instead of specially shaped basins for collection of deposits. **File 2592**

Licensing and investment proposals from foreign firms are listed in these columns. Specific product interests in each proposal are highlighted in bold type to facilitate identification and each proposal is preceded by the appropriate four-digit product number taken from the Standard Industrial Classification (SIC) Manual.

Background information on opportunities abroad and assistance on overseas investments are available from the Foreign Investment Services Staff, U.S. Department of Commerce, Washington, D.C. 20230. "P" numbers should be used when responding to any of the specific proposals listed.

WTDR indicates that a World Traders Data Report containing financial and background information on the foreign firm is available for $15 from the Export Information Division, Room 1313, U.S. Department of Commerce, Washington, D.C. 20230, or from any Commerce Office.

OPIC indicates that the country involved is eligible for investment insurance coverage written by the Overseas Private Investment Corporation. Information regarding applicable coverage may be obtained from OPIC, Washington, D.C. 20527.

Foreign Trade Inquiries

These trade opportunities are based on reports received from the U.S. Foreign Service by the Trade Opportunities Division, Room 1322, U.S. Department of Commerce, Washington, D.C. 20230. The commodities in which foreign firms have interest are indicated by the five-digit numbers and commodity classifications which are from the Standard Industrial Classification (SIC) Manual and the Numerical List of Manufactured Products, 1967 Census of Manufactures.

U.S. firms should be aware that the listing in Commerce Today *of opportunities to trade in specific commodities and technical data does not necessarily imply approval of their export by the Department of Commerce pursuant to the Export Administration Act of 1969. Applicable export licensing regulations must be followed.*

Every effort is made to include only traders with good reputations. However, the Department cannot be responsible for any trade relations.

Abbreviations used are: I (importer); D (distributor); M (manufacturer); A (agent); R (retailer). To avoid delays, requests for loan material must specify country, commodity, foreign government agency.

WTDR indicates that a World Traders Data Report on this specific firm is available at $15 from the Export Information Division, Room 1313, U.S. Department of Commerce, Washington, D.C. 20230. A WTDR is a trade profile which contains commercial information, including financial references, on an individual foreign firm. Orders must include complete name and address of the subject firm and be accompanied by payment. Further information concerning WTDRs and request forms are available at each Commerce District Office.

Direct Sales

Foreign enterprises are interested in direct purchases of these products. See also "Representations" listings.

Building construction

●**15100 — SIERRA LEONE** — Construction of palm oil mill at Tisana/Luawa/Blama, Southern Province. Initial capacity 5 tons fresh fruit bunches per hour (t/b/h) rising to 10, and then 15 t/b/h. Proposals should cover draft project for mill, final project agreement, land improvement, civil engineering works, drainage, water system, and supply of necessary construction materials and equipment for sterilizing, stripping, pressing and crushing palm kernels. Tender identification is CONF/MNR. 5/5/16/2, and deadline is July 31. Bid documents available for $12 from Permanent Secretary, Ministry of Agriculture and Natural Resources, Tower Hill, Freetown, Sierra Leone. One copy of bid document expected available soon for review in Room 2118, U.S. Dept. of Commerce, Washington, D.C. (telephone: 202-967-3602).

Construction

●**16100 — SINGAPORE** — The Government of Singapore intends to invite tenders for execution and completion of the East-Coast expressway on marina reclamation sites on a package deal basis. The works consist of investigation, design and construction of the East-Coast Parkway, approximately 3.3 km. in length, with bridges spanning the Kallang River and the gap between the two reclamation sites. Lengths of the elevated structures will be approx. 2 km. The Public Works Department's Road Branch is now preparing necessary documents for the prequalification of tenderers and these questionnaires will be sent to firms as soon as they are ready. Firms which are interested in obtaining further clarification on the project should contact Mr. Thomas Yee Shun Min, Roads Branch, Public Works Department, P. O. Box 9009, National Development Building, Maxwell Rd., Singapore 2 (telephone: 910044). A drawing showing the proposed alignment of the expressway on the marina reclamation sites may be seen in Room 2118 of Construction & Bldg. Materials Program, U.S. Dept. of Commerce, Washington, D. C. (telephone: 202-967-3602).

Heavy construction, except highway and street construction

●**16200 — URUGUAY** — Turnkey installation of marine oil terminal, including offshore buoy, capable of handling 125,000 tankers, 265,000-cubic meter tank farm, pumping stations, and 100-mile pipeline. Copies of specifications available for $195 each from ANCAP (Division Combustibles), Luis de la Pena 1000, La Teja, Montevideo, Uruguay. Interested parties must enter bids through local representative. Project's estimated value exceeds $20 million, partly financed ($10 million) by Inter-American Development Bank. Bid deadline Sept. 12.

Industrial chemicals

28190 — PANAMA — Supply of chemicals for use in production of detergents as follows: 1,500—55 gal. drums of sulfur trioxide, stabilized sodium tripolyphosphate—substantial quantity (to be determined by negotiation). Contact Manuel Balbino Moreno, Director, Comision Nacional de Abastos, P.O. Box 10243, Panama 5. Telex 368795 Asbastos, telephone 64-3622.

Rolling, drawing, extruding of nonferrous metals

●**33500 — IRAN** — Low and medium tension cable. Tender No. S/QTPXCA; bid deadline July 31. Satkab Co., Takhite Jamshid Avenue, No. 41, Tehran. Tender documents available to prospective bidders only at charge of 10,000 RLS from Bank Markazi Iran, Account No. 790 Khazaneh.

Farm machinery

●**35230 — BOLIVIA** — One each cattle and poultry feed plants on turnkey basis required by: Comite de O bras Publicas de Santa Cruz, Convocatoria No. 26/74, Casilla 213, Santa Cruz, Bolivia. Specifications can be purchased for U.S. $50 from above address. U.S. Department of Commerce may receive one copy of specifications. Contact Transportation and Capital Equipment Division, OBRA, U.S. Department of Commerce, Washington, D.C. 20230. Phone 202-967-4317. Bid deadline Aug. 8.

Construction, mining, materials handling machinery, equipment

●**35300 — ALGERIA** — Direction Generale, SO. NA.MA., Grande Mole-Sete 1, Alger Port, Algiers, requests bids on gantry cranes; one at 200 M/T capacity, 12 at 30 to 60 M/T. Postmark acceptable for meeting July 15 deadline, correspondence in French required. No bid number assigned.

●**35300 — ECUADOR** — 30 diesel-powered fork lift trucks with capacity from 3 to 5 tons required by: Carlos Salazar-Torres, Jefe del Departamento Nacional de Puertos, Direccion de la Marina Mercante, P.O. Box 7412, Guayaquil, Ecuador. Cash payment and early delivery desired. Quote C&F Guayaquil, including delivery time, in English or Spanish.

Electric transmission, distribution equipment

●**36100 — EL SALVADOR** — Design and supply of power switchgear equipment for "Cerron Grande" hydroelectric dam. Equipment to include isolated phase bus assemblies, surge protection and potential transformer cubicles, generator neutral grounding cubicles and station service switchgear. Tender No. CEL-438, bid deadline Aug. 15. Comision Ejecutiva Hidroelectrica Del Rio Lempa (Cel), 9 Calle Poniente 950 Centro De Govierno, San Salvador. Interested suppliers invited to send following information to Harza Engineering Co. International, 150 South Wacker Dr., Chicago, Ill. 60606: (a) summary of experience in design and manufacture of equipment similar to that requested (b) report of financial resources, description of plant and organization, and banking references. Equipment will be purchased with IBRD loan. Equipment specifications and contract documents number 637-E7 will be delivered to qualified bidders.

●**36100 — INDIA** — The Chief Engineer (T&P), Madhya Pradesh Electricity Board, Rampur, Jabalpur, M.P. has issued tender No. IDA/MPEB/6 for supply of 220 KV abd k32 KV power line carrier equipment for electric power transmission and distribution project. Bid deadline Sept. 3. Project financed by IDA. Tender documents, price $13.33, available from Regional Accounts Officer, M.P. Electricity Board, or on short-term loan basis to firms located in U.S. from Science & Electronics Div., BDC-466, Room 1003, U.S. Dept. of Commerce, Washington, D.C. 20230, telephone 202-967-2939.

Electric lighting, wiring equipment

●**36400 — SRI LANKA** — Electric lamps (bulbs) 220/230 volts, various types and size including mercury vapor, flood and spot, reflector and tubular lamps. Bid deadline July 25. Sri Lanka State Trading (General) Corporation, P. O. Box 1686, 119 Wekande Rd., Colombo 2, Sri Lanka. Specifications available on short-term loan basis to firms domiciled in U.S. from Consumer Goods and Services Division, BDC, U.S. Department of Commerce, Washington, D. C. 20230; telephone (202) 967-2923.

Communication equipment

●**36600 — GREECE** — The Hellenic Telecommunications Organization (OTE) Purchasing Dept., 6 Klissovis St., Athens, has issued tender No. 7070 for supply and supervision of installation of coaxial link carrier frequency (multiplex) and line equipment.

Bid deadline Sept. 20. Purchase financed from OTE budget. Copies available from above address at $6.70 per copy plus $2.50 postage, or on short-term loan basis to firms located in U.S. from Science & Electronics Div., BDC-466, Room 1003, U.S. Dept. of Commerce, Washington, D.C. 20230, telephone 202-967-2939.

●36600 — **HONDURAS** — Departamento de Proveeduria, Empres Nacional de Energia Electrica, ENEE, Apartado 99, Honduras, C.A. invites bids on telecommunication system to be used by ENEE to connect several substations as part of the "Fifth Power Project." Bid deadline Aug. 1. Project financed as part of IBRD Loan No. 841-HO (Fifth Power Project). Bidders must purchase their own set of documents for $50 at above address. Copy of document for viewing only in Science & Electronics Div., BDC-466, Room 1003, U.S. Dept. of Commerce, Washington, D.C. 20230, telephone 202-967-2939.

●36600 — **BURMA** — The Burma Railway Corporation, Rangoon, has issued tender No. BRC/IDA/14(T)11(e)74-75 for supply of one set control telephone equipment with S.S.B. radio equipment. Bid deadline Aug. 19. To be purchased from proceeds of IDA credit. Copies of tender announcement and specifications available on short-term loan basis to firms located in U.S. from Science & Electronics Div., BDC-466, Room 1003, U.S. Dept. of Commerce, Washington, D. C. 20230, telephone 202-967-2939.

●36600 — **GREECE** — The Hellenic Navy Command, Hellenic Navy Supply Center, 2 Paparrigopoulou Street, Athens, has issued tender No. 619.1 173/16/73 for 20 HF SSB transceivers (synthetizer) for installation on ships. Bid deadline Aug. 2. Purchase financed from Greek Government budget. Copies of tender announcement and specifications available on short-term loan basis to firms located in U.S. from Science & Electronics Div., BDC-466, Room 1003, U.S. Dept. of Commerce, Washington, D. C. 20230, telephone 202-967-2939.

●36600 — **SUDAN** — The Arab States Broadcasting Union (ASBU), Technical Center, P.O. Box 2231, Khartoum, has issued a tender for supply of receiving and measuring station for broadcasting purposes. Total cost estimated at $500,000. Bid deadline July 31. Arab Station Broadcasting Union is sponsored by Arab League. Cost of proposed project will be shared by member governments. ASBU will arrange necessary guarantee of credit repayment. Copies of tender announcement and specifications will be available on short-term loan basis to firms located in U.S. from Science & Electronics Div., BDC-466, Room 1003, U.S. Dept. of Commerce, Washington, D. C. 20230, telephone 202-976-2939.

●36600 — **NETHERLANDS/NATO** — The ISRADCO, SHAPE Technical Center, APO New York 09159 has issued tender No. 9980/PCO/758/74/3100 for multi-channel delta modulation equipment required by SHAPE Technical Centre (The Hague) for use under laboratory conditions. Bid deadline July 19. Bid should offer one and two units capable of 15, seven and three voice channel operation, with commensurate input/output bit rates. Also one and two units fixed rate 15 channel. Only firms certified by U.S. Dept. of Commerce are eligible to bid on NATO procurements. U.S. firms interested in certification should contact Science & Electronics Div., BDC-466, Room 1003, U.S. Dept. of Commerce, Washington, D.C. 20230, telephone 202-967-2328. Copies of tender announcement and specifications available on short-term loan basis to firms located in U.S. from Science & Electronics Div., address above.

●36600 — **UPPER VOLTA** — Mamadou Simpore, Directeur de l'Office des Postes et Telecommunications, et de l'Information, Ouagadougou, Haute Volta has issued a tender for telecommunications equipment for use in rehabilitation and expansion of local and long distance facilities. Bid deadline Aug. 31. Financing for equipment covered by World Bank $4.5 million credit. Tender documents and specifications may be purchased from above address for 25,000 CFA (approx. $100). Bids must be in French.

●36600 — **URUGUAY** — Division Abastecimientos de U.T.E., U.T.E. Paraguay 2431, 10 piso Montevideo, has issued tender No. 4085 for a supply of VHF and UHF duplex operating radiotelephone links, seven, 1 thru 25 channels, for commercial use, powered by 220 v, ac 50 c. monophase or 12, 24 or 60 v.cc. Bid deadline July 26. Bids must include c.i.f. Montevideo prices and interested parties must enter bids through local representative. Correspondence in Spanish. Copies of tender announcement and specifications available on short-term loan basis to firms located in U.S. from Science & Electronics Div., BDC-466, Room 1003, U.S. Dept. of Commerce, Washington, D.C. 20230, telephone 202-967-2939.

●36600 — **ZAMBIA** — Mr. W. D. Musonda, Project Director, Zambia World Bank Education Project, 900 Za, Project Unit 3, P.O. Box RW367, Lusaka, invites tenders for educational equipment to include audio visual aids, medical training equipment, home economics and general education equipment worth approximately $375,000, and teaching furniture worth approximately $300,000. Tender including fully itemized list of equipment expected to be issued in August. U.S. suppliers interested in submitting tenders should register their intention now with the project director. The Zambia World Bank Education project utilizes funds from the World Bank loaned to the Zambian Government for expansion of secondary, technical and health education facilities.

Photographic equipment

38600 — HONG KONG — The Government Land Surveyor, Crown Lands and Survey Office, Murray Bldg., Hong Kong is planning to begin making its own maps and may be in the market soon for a photogrammetric unit for converting aerial photographs into maps. Supplier expected to train Hong Kong Government personnel in use of the equipment. Programmed cost approximately U.S.$300,000. Interested U.S. manufacturers contact Mr. John P. Cooper at above address to describe their apparatus's capabilities and specifications. Actual purchase will be by public tender.

Miscellaneous durable goods

50930 — MEXICO — Purchase approx. 600 m/t annually aluminum scrap. Mexican price about 20 pesos (U.S.$1.60) per kilo. Scarce in Mexico. Requests U.S. price quotations and plans to pay cash. Correspondence preferably in Spanish but English understood. Reply to Sr. Horacio Henkel or Sr. Kurt Hulzinger, Inyectamental, S.A. Autopista Mexico-Queretaro 3002, Edo. de Mexico. Tel. 565-26-11.

50930 — PORTUGAL — Textile waste, including wool & synthetic textile waste for use in textile industry. Reply to Mr. Vasco Oliveira, Mgr., Rodrigues & Bicho, Ltd., Largo da Anunciada 9-2, Lisbon 2. Cable Rovi-Lisbon; tel 320281.

Representations

Foreign private firms are interested in agency agreements and/or distributorships for these products.

Household appliances

3631255 — MALTA — Domestic kerosene cookstoves. Annual sales potential est. about $5,000. Marketing territory—Malta & Gozo. Requests c.i.f. prices & catalogs. Ready to pay by cash against documents. Exclusive agency & distributorship. Reply to Mr. Thaddy Naudi, Dir., Fredson, P.O. Box 455, 43/4 Strait St., Valetta.

Future Construction Abroad

ARGENTINA—For many years, Argentine governments have been talking about the need for a **deep water port.** It appears that the Peron administration will initiate this project at Punta Medanos, between Buenos Aires and Mar del Plata. The port will be built specifically to handle deep draft bulk cargo ships, although a fishing port and a naval base will also be constructed. Responsible is the Secretariat of Transport & Public Works. Construction materials for the port, and construction services and materials for the landward infrastructure system, can largely be provided by domestic contractors. Much of the feasibility work may be done by local firms, though the government may elect to have foreign participation in this phase in order to be able to obtain part of the necessary financing. It is likely that much of the port handling equipment will be tendered internationally. Inquiries should be addressed to: Cap. de Navio (RE) Guillermo H. Guillamon, Subsecretario de Marina Mercante, Secretaria de Transporte y Obras Publicas, Av. J. A. Roca 734, 2° Piso, Buenos Aires. Tele: 30-6785.

BAHAMAS — Golden Gates Estates Shopping Centre Ltd. has announced plans to construct a $2.5 million **shopping center complex** with between 15-20 stores, scheduled to be completed in December. More than 80 percent of the available 100,000 sq. ft. has reportedly already been rented. Architect is Fred Albury of Robjohns, Clarke & Co. Main contractor is Cavalier Construction Co. Ltd., P.O. Box N-8170, Nassau. The complex will be located at the junction of Blue Hill and Carmichael Roads, about two miles outside of Nassau. President of Golden Gates Estates Shopping Centre Ltd. is David Albury, who, with his brother James, Treasurer, is associated with Bahamian Lumber & Building Supplies, P.O. Box N-4873, Nassau. Tele: 809/323-4191.

JAMAICA — National Housing Corp., a wholly-owned company of the Government of Jamaica, has announced that construction of some **450 low-to middle-income housing units** will start in August. The project, to be known as Garveymeade, is the **first phase in construction of some 1,050 units** on lands which the corporation has acquired at Portmore. Total cost is estimated at U.S.$20 million and will be financed through the Jamaica Mortgage Bank. Infra-

structure development will start in June and includes construction of roads, water mains and parks. Development plans for 90 of the 121 acres acquired have already been completed. The number of units to be built will be equally divided between three- and two-bedroom houses. They will be in six-unit clusters or two-unit semi-detached townhouses. The project will be needing wooden shingles, redwood louver windows, sanitaryware and plumbing fixtures. U.S. suppliers should contact Developers: National Housing Corp. Ltd., 6a Oxford Rd., P.O. Box 413, Kingston 5, Tele: 926-5854, Attn: Ellsworth Williams, Managing Director. Designers: Weise, Repole, Goldson Consortium, 23 Parkington Plaza, Kingston 10, Tele: 927-8064.

HONG KONG—Hong Kong Land, principal owner of many prime building sites in Hong Kong, is planning a **10-year redevelopment** of properties which occupy a total of about 3.1 million sq. ft. in the central district. The Edinburgh House, Glouchester Bldg., Jardine House, Marina House and Windsor House will be demolished and replaced. The project will offer many opportunities for U.S. architects, construction engineers, building suppliers and possibly consultants. Interested U.S. firms may wish to contact: Vernon Roberts, General Manager, or W. F. Powell, Assistant Manager, of Projects Dept., both at Hong Kong Land Co. Ltd., Connaught Centre, Hong Kong. Tel: 5-247749.

JAMAICA—Construction work on a **seven-story office and car park building** in the New Kensington Area will begin soon. Lesco Properties Ltd., the developer, has announced that the project will include two floors for parking, five floors for air-conditioned offices, and a meeting hall adjacent to a roof garden. All offices will be carpeted and cross ventilated. A standby electrical generating unit will be provided. Estimated cost is about U.S.$1.4 million and start of construction will be based on the number of applications for space. The developers invite quotations on two elevators, ceiling tiles, airconditioning equipment, lighting fixtures and electricity generating plant from U.S. suppliers. Developers: Lesco Properties Ltd., 3 Sylvan Ave., Kingston 5, Attn: Leslie Brown, Managing Director, Tel: 936-1110. Architects: Environmental Design & Planning, 14B Hope Rd., Kingston 10, Tele: 926-5066. Contractors to be assigned.

CHILE—A private firm, Turismo Ltda., completed feasibility studies to construct a **deluxe hotel** at Santiago's international airport, Pudahuel. The project contemplates U.S.$1 million in imported goods out of a total investment of U.S.$8 million. The firm is especially interested in quotations for nylon carpets, airconditioning systems, environmental music, large laundry, kitchen and tableware, freezers, refrigerators and floor and wall cleaning devices. Interested firms contact: Turismoteles, Ltda., Huefranos 747, Of. 707, Santiago. Tele: 397416. Attn: Rual Sitnisky, Manager.

KOREA—The Republic of Korea Government has signed a $43 million second IDA/IBRD Education Project loan to be used by the Ministry of Education (MOE). The major portion of the project is to **improve educational facilities and procure instructional equipment.** In advance of eventual procurement practices through international competitive bidding, MOE seeks from manufacturers' relevant information related to specifications and prices of equipment which may be useful in preparing master lists and specifications for bidding. Equipment includes: agricultural, technical, nursing and fishery high schools or colleges including equipment for agronomy and horticulture, forestry, livestock, sericulture, food processing, agricultural machinery, agricultural civil engineering and home economics. Equipment for College of Education, and Teachers Junior College, College of Engineering and Merchant Marine College, and College of Natural Science and College of Agriculture. Invitations for bids are expected to be announced through Korea's Office of Supply (OSROK) in September. Deadline for bids will be two months from invitation date. Interested U.S. firms should correspond directly with Mr. You-Chang Kong, Assistant Director, Korea/IDA/IBRD Education Project, Ministry of Education, 26 Samchong-dong, Chongro-ku, Seoul, 110. Tele: 74-6330.

AUSTRALIA—N.S.W. Water and Sewerage Board Sewerage Program is designed to provide **sewerage for 600,000 homes** in the area bounded by the Hawkesbury River in the north, Penrith in the west and Shellharbour in the south, which includes the whole of Sydney Metropolitan Area. The project will be funded by Australian Government; $15 million has been allocated, the total cost is $1.1 billion. Construction will be in sections as funds become available. All aspects will be put to tender from companies holding prior approval to bid. Project, to be completed in 10 years, should provide a long-term opportunity for experienced U.S. companies to start operations in Australia either solely or as partner in joint venture. There is also potential for export of materials and ancillary equipment. Contact: The N.S.W. Metropolitan Water Sewerage and Drainage Board, Pitt and Bathurst Sts., Sydney South 2000, Mr. K. Crowley, Water Board's Chief Contracts Officer.

INDONESIA — Perusahaan Umum Listrik Negara, Agency of the Ministry of Public Works and Power, Government of Indonesia, issues bids covering **major mechanical and electrical equipment and materials for a new 200 MW (2 x 100, units 1 and 2) thermal power plant** serving Jakarta and the West Java transmission systems located at Muara Karang on the northwestern outskirts of Jakarta. Bid deadline Oct. 15, at the head office of Perusahaan Umum Listrik Negara, Jalan Sunan Ngampel 1, Kebayoran Baru, Jakarta. Bidding documents comprise five volumes: vol. I, invitation and instructions to bidders, general and special conditions, bond and contract forms and equipment data sheets; vol. II, steam generators and materials—specifications; vol. III, turbine generators and auxiliaries—specifications; vol. IV, electrical equipment—specifications; vol. V, power transformers—specifications. Lump sum proposals will be received for all equipment and materials in any single volume or combination of vols. II through V. Overall lump sum proposals for vols. II through V are also invited. Prospective bidders may examine the specifications and bidding documents at the office of their consulting engineer, Black & Veatch International, Jalan Sunan Ngampel 1, Kebayoran Baru, Jakarta, or Black & Veatch International, 1500 Meadow Lake Parkway, Kansas City, Mo. 64114. Beginning July 16, complete or partial sets of bidding documents in sextuplicate may be obtained from Black & Veatch International, addresses above, upon payment of non-refundable amounts as follows: complete sets (5 for submittal, 1 for bidder) vols. I through V, $350; partial sets (5 for submittal, 1 for bidder) vols. I & II, $170; vols. 1 & III, $150; vols. I & IV, $120; vols. I & V, $90. Additional individual copies of specifications may be obtained upon payment of $20 per volume. To qualify for an award, the bidder must have manufactured at least three units having similar design requirements to that specified and in successful commercial operation a minimum of three years. The new Muara Karang Thermal Plant is being financed in part by International Development Association Credit #399 IND.

NIGERIA — The Federal Ministry of Communications, aided by an assistance team from the International Telecommunications Union, is currently projecting its **development needs** within the dual framework of a ten-year telecommunications development program (1968-78) and the Third National Development Plan (1975-80). The main thrust of the program through 1980 will be to **increase the capacity of the telephone exchange** from 50,000 to 500,000 lines, at a currently estimated cost of between $0.5 billion and $1 billion. This program could involve substantial sales opportunities for U.S. firms in the area of automatic telephone exchanges, substations, telephone lines, and intercity radio (VHF and microwave) transmission systems. One of the Nigerian Government's most pressing needs is a **complete reorganization of the Ministry of Communication's accounting procedures.** It is expected that proposals may be invited within the next 2-3 months from firms capable of undertaking a comprehensive accounting study. Such a contract, with an estimated value on the order of $1 million, could be of interest to U.S. firms. Contact in the Ministry is Mr. S. O. Williams, Permanent Secretary, Federal Ministry of Communications, G.P.O. Building, Marina, Lagos.

PAKISTAN — Major tenders will be let for Pakistan's **new bulk cargo deep-water port** to be constructed approx. 20 miles from Karachi, as follows: 1) **Capital dredging** for 22 milliion cubic yards by the year 1980; 11 million yards of this must be completed by 1977. Tender for the dredging will be distributed in March 1975 and finalized in July. Dredging is to commence in October 1975. 2) **One berth** for coal and iron ore ships of 75,000 ton capacity: dredging at the outset will only allow for ships of 25,000 tons capacity; the berth will be deepened at a later date. International tender will be let in March 1975 and construction should begin July/August 1975. This berth must be completed by late 1977. Estimated cost for this single berth is $4 million. 3) Tenders for **navigation aids** will cost about $1 million and are expected to be let in 1975. 4) Tenders for **bulk cargo equipment** for unloading and handling iron ore and coal and having an annual capacity of 3.5 million tons by the year 1980 are expected to let around mid-1975. Total cost of the bulk cargo handling system is $4 million. In the immediate future the Port Qasim Authority hopes to contact foreign suppliers in order to obtain rough cost estimates for the various items to be tendered next year. Assistance in costing for the bulk cargo handling is especially needed. The two key officials for the project are: Mr. Hasan Mohammad Naqvi, Project Manager, National Engineering Services (Pakistan) Ltd., 9th Fl., NSC Bldg., M. Tamizuddin Khan Rd., Karachi; Mr. Ardeshir R. Cowasjee, Chairman, Port Qasim Authority, 5th Fl., NSC Bldg., M. Tamizuddin Khan Rd., Karachi.

ARGENTINA — Government of Argentina's Subsecretariat of Merchant Marine has announced call for prequalification bids for construction of the **deep-water port** at Punta Medanos. Prequalification deadline is Nov. 26. Companies which prequalify will

be asked to bid on construction and provision of equipment. General project specifications are available at the Subsecretaria de Marina Mercante, Av. J.A. Roca 734, 2 Piso, Buenos Aries. Interested U.S. firms will have to prequalify in association with one or more local firms, and, as is the rule for any company bidding on a government project, will have to register prior to presenting prequalification bid, in the Register of Construction of Public Works, Ministry of Public Works, Av. 9 de Julio 1925, Buenos Aires. Design and engineering will be done by a local consortium on a direct award basis.

JAPAN — Tokyo Electric Power Co. (TEPCO), 1-5-1 Uchisaiwai-cho, Chiyoda-ku, Tokyo, announced plans to begin construction of the **first of eight 1,100 MW nuclear power plants** to be built at a site near Kashiwazaki in Niigata Prefecture. U.S. industry may be in excellent competitive position to supply major components and technology.

IRAN — The national goal of reaching 15 million metric tons of steel production by 1983 probably will not be possible, but there is little doubt that Iran over the next decade will become an important steel producer and probably will have an export surplus. Iran's **iron and steel industry expansion plans** and recent signing of contracts for two more gas reduction sponge iron plants bring total commitments up to about 8 million MT of iron or steel capacity. Most of the industry will be concentrated on or near the Persian Gulf. The gas reduction sponge iron plants will be owned by the National Iranian Steel Industries Corp., and most of the iron and steel industry will be in the public sector. Currently planned private sector expansion will be in Ahwaz where two privately-owned steel plants already exist, but new plants more likely will be in the public sector. Opportunities abound for American companies to negotiate **additional contracts to build iron and steel manufacturing plants and for sale of mining equipment.** U.S. suppliers of electric arc furnaces and other electrical equipment for the industry should get in touch with Mr. Hassan Oskoui, Vice President, Shahriar Industrial Group, 248 Avenue Hafez, Tehran. Those interested in constructing gas reduction sponge iron plants or selling equipment or constructing other steel manufacturing facilities should contact Dr. Reza Amin, Managing Director, National Iranian Steel Industries Co., 15 Jam Ave., Tehran.

PHILIPPINES — The following **two IBRD-financed port projects** may be of interest to U.S. firms: Ports II—Involves expanding and improving facilities at Mindanao ports of General Santos and Cagayan de Oro. The contract for engineering design was awarded to the British firm Sir William Halcrew & Partners. Design phase should be completed late this summer. In September or October a call for bids will be issued for the succeeding phase, which will include dredging, construction and, possibly, construction supervision. Ports III—Sir William Halcrew & Partners have prepared feasibility studies for expansion and improvement of ports of Cebu, Zamboanga and Butuan. An IBRD appraisal is expected in near future. Following approval, a call for bids will be issued for engineering design and, later, dredging, port construction and construction supervision. The implementing agency for Parts II and III is: Ports and Harbors Div., Bureau of Public Works, BPW Bldg., Port Area, Manila.

PHILIPPINES — IBRD is considering a **$36 million loan for rural development projects** on the island of Mindoro. The projects will reportedly be largely in transportation, agriculture and rural extension services. Projects specifically under consideration include: road construction (feeder roads, farm access roads, bridges and asphalting of the Calapan-Bulalacao road); irrigation (new or improved irrigation systems covering about 33,000 hectares); port construction and improvement (Calapan, San Jose, Mamburao, Sablayan, Pinamalayan, Mansalay and Victoria); water supply; electricity (small hydroelecric plant and improved distribution facilities in Calapan); health services and education; farm credit; fisheries; forestry (reforestation of watersheds); improved government administration; and agro-industry (feed milling and mixing plants). The implementing agency will be the National Economic and Development Authority (NEDA), Padre Faura, Ermita, Manila.

JAMAICA — Construction of **two housing projects** in the Cayman Islands may offer opportunities for U.S. supplies. The Governor's Harbour project, estimated to cost between U.S.$30-$33 million, consists of 281 residences, 52 shops, the new Interbank four-story headquarters enclosed in bronze-tinted, mirror-reflecting glass, a medical clinic, a college and other facilities to make it a self-contained community. A shopping center raised six feet above ground to provide parking space will surround the proposed Interbank headquarters. Also, a 220-foot swimming pool. The Mitchell's Creek Gardens project will have eight villas which will surround a central community building and recreational area. Each villa will contain two studio apartments, two one-bedroom apartments and two- and three-bedroom apartments and townhouses. The recreation area will have a swimming pool, paddling pool, sauna and communal lounge. Suppliers of structured steel, swimming pool and sauna bath equipment and airconditioning equipment should contact: Developers: Interbank International, P.O. Box 692, Grand Cayman, British West Indies. Architects: Rutkowski, Bradford & Partners, First National Bank Bldg., P.O. Box 899, Grand Cayman, British West Indies. Contractors: Ranja Construction Co., Ltd., P.O. Box 629, Grand Cayman, British West Indies.

JAMAICA — Construction of **four shopping centers** highlight fine commercial prospects in the current Cayman Island construction boom. 1) Project Management Ltd. is now building the first phase of Prospect Plaza for West Wind Holdings Ltd. Initial construction will center on a 15,000 sq. ft. supermarket, which consists of 9,500 sq. ft. of fully airconditioned shopping area, 4,500 sq. ft. of storage and office space, and parking for 70 cars. Developers: West Wind Holdings Ltd., P.O. Box 213, West Wind Bldg., Grand Cayman, British West Indies. Architects: Onions, Bouchard & McCulloch, P.O. Box 693, Grand Cayman, B.W.I. Contractors: Project Management Ltd., P.O. Box 307, Jennet Bldg., Grand Cayman, B.W.I. 2) Island Contractors Ltd. are involved in two shopping center projects, one of which is for H. O. Merren & Co. Ltd. In addition to a large supermarket and department store nearing completion, the development will consist of a hardware store, a fast food cafe and parking for 95 cars. The upper floor will house offices of the owners. The foundations of the complex have been raised about eight feet to prevent flooding from heavy rains. Developers: H. O. Merren & Co. Ltd., P.O. Box 63, Grand Cayman, B.W.I. Architects: Chalmers Gibbs Martin Foster Partnership, P.O. Box 654, Grand Cayman, B.W.I. Contractors: Island Contractors Ltd., P.O. Box 516, George Town, Grand Cayman, B.W.I. 3) The second shopping area under Island Contractors' construction is Edencenter. The complex will consist of a central supermarket with covered walkway on either side. The 10,000 sq. ft. mart will have loading and unloading facilities at the back. There will be ten shops along the covered walkway and parking will be provided for 140 cars. Developers: Caribbean Bank, P.O. Box 456, Anchorage Bldg., Grand Cayman, B.W.I. Architects: Rutkowski, Bradford & Partners, First National City Bank Bldg., George Town, Grand Cayman, B.W.I. Contractors: Island Contractors Ltd., address above. 4) Kirkconnell Ltd. is developing a 47,000 sq. ft. area which will include 39,000 sq. ft. of retail showrooms. The showroom area will include a 15,000 sq. ft., airconditioned builders' hardware store, 22,000 sq. ft. for retail shops, and a warehouse with 2,000 sq. ft. of freezers and coolers 14 ft. high. Total cost over U.S.$720,000. Developers: Kirkconnell Ltd., School Rd., Grand Cayman, B.W.I. Architects: Chalmers Gibbs Martin Foster Partnership, address above. Contractors: Wallace Evans & Partners, P.O. Box 654, N. Church St., George Town, Grand Cayman, B.W.I.

MALAGASY — The Malagasy Government has approached the World Bank as well as the Governments of Canada and Japan for financial assistance for construction of large (est. $50-60 million) **Rogez Hydroelectric Project** on the Vohitra River in central Madagascar. The World Bank is studying the project and has asked the Malagasy Government to initiate at least one additional feasibility study. It is difficult at this time to judge possible opportunities for American business. However, U.S. firms may have an opportunity to compete for engineering and design work if this is financed by the World Bank. The Malagasy official responsible is: M. Rene Razafindratandra, Directeur des Mines et de l'Energie, Ministere de l'Economie et des Finances, Boite Postale 280, Tananarive, Malagasy Republic.

KOREA — The IBRD has extended a $25 million loan to the Republic of Korea Government to help finance a $50 million international **tourism resort** at the Bomun Lake near Kyongju. This project, the first phase of the projected development, is scheduled for completion by 1982. The first phase envisages promotion of tourist hotels and provision of utilities, services and recreational facilities. The detailed engineering design has nearly been completed by a local firm, Korea Engineering Consultants Corp., with assistance from foreign experts. A report from the American Embassy in Seoul giving description of projects and implementing offices is available from the U.S. Department of Commerce, Trade Opportunities Program, Rm 1322, Washington, D.C. 20230.

Ecuador Seeks Silo Suppliers

The Ecuador Government has invited specialized firms to bid for construction and equipment of 14 plants of metal silos for storage of small grains with capacity of 2,000 to 5,000 metric tons each for a total of 47,000 metric tons. The bid will remain open until July 23. General information, documents and plans are available at the Ministry of Agriculture, Quito, Ecuador, after non-reimbursable payment of $400. Interested firms may also obtain information about this project from the Embassy of Ecuador, 2535 15th St., NW., Washington, D.C. 20009. P-74342.

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